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JPRS Report

East Asia

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Reports on Japanese Economic Aid
42000076a Jakarta ANTARA NEWS BULLETIN
in English 21 Dec 88 p A4

[Text] Jakarta, December 21 (ANTARA)—A memorandum on a Japanese grant of Rp 32 billion to increase food production was signed here Tuesday by the Japanese Ambassador to Indonesia Sumie Edamura and Director General of Foreign Economic Relations Poedji Koentjarso.

The grant was the materialization of the last annual technical meeting between Japan and Indonesia held from July 5 to 7 here.

The 12th grant from Japan will mainly be used to increase rice, soya beans and potato production and it will be channeled through the Ministries of Agriculture, Public Works, Cooperative and Transmigration.

Ambassador Edamura on the occasion also signed a memorandum on a grant of Rp 364 million to improve the facilities of the Jakarta Cultural Center (TIM).

The ceremony marking the signing of the two memorandums took place at the "Pancasila Building" and was attended by a number of ranking officials of the Indonesian Foreign Ministry as well as the Vice Governor of Jakarta Anwar Ilmar and Director of the Jakarta Cultural Center (TIM) Slamet Danusudirdjo.

Ujungpandang, Dec 21 (ANTARA)—The Japanese Government has approved a financial assistance worth Rp 1.34 billion for a road improvement project in the South Sulawesi regency of Tanatoraja, a local official said here Tuesday.

Head of the Tanatoraja Regential Public Works Service Subandi AM said the works for the project will cover the asphaltting of a 66 km-long road, the pavement of a 3 km-long road with gravel and the rehabilitation of eight bridges.

According to Subandi, the improvement of the road linking several places of interests will be conducted during three years beginning from next year and it will cost Rp 10 billion.

Meanwhile, Tanatoraja Regent A. Jacobs disclosed that the project is aimed at smoothening the flow of tourists to his regency and opening isolated areas in the region as one of the efforts for an equitable development program.

It is also hoped that the planned road will boost the development of local coffee estates and those of other commodities, in addition to attract more tourists to visit the region, Jacobs said.

Soft Loan From Austria
42000076b Jakarta ANTARA NEWS BULLETIN
in English 25 Dec 88 p A6

[Text] Vienna, Dec 25 (ANTARA)—Austria will provide Indonesia with a soft loan amounting to 300 million Austrian schillings to be realised in the 1989-1991 period, the Indonesian Embassy here announced Friday.

An agreement on the loan was signed at the Austrian Ministry of Finance here Thursday by Deputy Director General in the Austrian Foreign Office Mag Staringer and Indonesian Ambassador to Austria Wirjono.

The signing of the financial cooperation agreement followed negotiations last November between Indonesian officials and representatives of the Austrian Government in Jakarta.

The soft loan will be repaid in 25 years, including a 7-1/2 year grace period, with an interest rate of 3.5 per cent/year.

The assistance, according to the Embassy, will be utilised to finance development projects.

The Austrian Government is interested in supporting projects in the sectors of energy, transportation, communication and education, the Embassy said.

After the signing ceremony both Mag. Staringer and Ambassador Wirjono expressed their satisfaction for the continuous and growing cooperation between the two countries.

This financial cooperation agreement is the second signed within the framework of the Inter-Governmental Group on Indonesia (IGGI). The first agreement also covered three years period from 1986 to 1988.

Paper Comments on Resolutions of Chinese Chamber of Commerce

42050012d Selangor SIN CHEW JIT POH in Chinese
28 Nov 88 p 25

[Editorial: "The News Passed on by the Chinese Chamber of Commerce"]

[Text] The 42nd General Assembly of the Associated Chinese Chambers of Commerce and Industry of Malaysia [ACCCIM] was held at Seremban, capital of Negeri Sembilan the other day. After enthusiastic discussions, this highest leading organization representing Chinese businessmen in this country passed 34 wide-ranging resolutions, including proposals concerning the New Economic Policy [NEP], demands for policy revisions and strengthening of manpower training. As a business organization actively participating in various industrial, commercial and economic fields in this country, the ACCCIM resolutions theoretically should evoke attention and consideration, so that the government's administration can be better coordinated with the development of the national economy to bring benefits to the entire nation.

Undeniably the economy and the people's livelihood are intricately related, and an appropriate economic policy will spark an industrial and commercial takeoff, opportunities to the manufacturing industry, increase in national income, improvement in the people's lives and profits from foreign investment. Otherwise, industry and commerce will remain stagnant, investors will vacillate, unemployment will become serious, and even domestic capital will fly away. Therefore, in drawing up an economic policy, the government should heed the opinions of the masses and solve the "quandaries" of business circles in so far as it is possible to do so, thereby enabling them to take part in economic reconstruction heart and soul.

Like its convention last year, this time the ACCCIM resolved against an extension of the NEP when it expires in 1990, an indication that the organization has been paying close attention to the existing unfair phenomena of the policy concerned which ought to be rectified. The organization believes that free competition must be encouraged to promote economic growth, and that if it is thoroughly carried out, it will have special significance for the stimulation of our country's economic growth.

Originally, the goal of formulating the NEP was to eradicate poverty and restructure society, but in its implementation, the cropping up of deviations and the emphasis on the distribution of equities rights have led to the general dissatisfaction of Chinese businessmen. Recently, the public expressed doubt about the veracity of statistics concerning the "distribution of wealth," which led to a continual controversy. There are reasons to believe that as long as the future of the NEP remains unclear, many entrepreneurs will adopt a wait and see attitude before moving forward to invest their capital.

At a time when various economic realms in the country are taking an upturn, if the private sector takes a "waiting" attitude and feels distrustful, it will be disadvantageous to our growing economic development. It is learned that the ACCCIM intends to hold a symposium on national economic policy. We welcome this move and hope that this discussion will be able to present a "penetrating and all-embracing" economic memorandum which will fully reflect the economic views of the Chinese businessmen. Last 30 October the NEW UMNO also resolved to hold a Bumiputra Economic Conference to discuss the formulation of the nation's economic policy after 1990. It is hoped that these two upcoming economic conferences will get their due attention from the authorities concerned.

Regarding the Interior Revenue Bureau's recent action pressing for tax payment, the ACCCIM also appealed to the government to reexamine the negative influence of such action in order to avert a blow to our economic revival. Earlier, the ACCCIM had asserted that paying an income tax is the duty of all citizens and that there is nothing wrong to inform against tax evaders to the authorities. However, the authorities concerned should not be eager for quick success and instant benefit by chasing the tax offenders and reporting them to the revenue bureau and neglecting the overall situation. For such drastic action might create a wrong impression to outsiders that our citizens are mostly tax evaders. Such a view deserves the Interior Revenue Bureau's reference so it can take more appropriate measures in pressing for tax payments; on the other hand, the businessmen themselves should think that it is something glorious to pay taxes and cooperate with the authorities concerned.

To help the development of small-scale industries, the ACCCIM urged the government to lower prices, provide factory sites and practical plants, and help arrange low-interest plant sites and bank loans. Of late, small enterprises have the government attention and the latter is planning to provide them with various facilities. We hope that if the government can simultaneously ease the land problem faced by small-scale industries in recent years, it will help the development of small-scale industries which occupy a proportionately-large position in the economic field.

It is an undeniable fact that if there is economic growth, more wealth will be created. We can talk about equitable distribution only if and when we have the wealth. But when the economic pie cannot be expanded, the people cannot get a big share, and in fact the share may be so small as to cause a dispute. The private sector in our country has always made outstanding contributions to the nation's economic development. They can play a bigger role if they are provided with more "openness," with less "restrictions," more "freedom," and no "restraints." Of course, if the economic pie is increased, both its owners and its shareholders will benefit similarly. In encouraging free competition, the ACCCIM general assembly passed on precisely this message.

Barisan To Keep Promises to MCA
42050012a Kuala Lumpur NANYANG SIANG PAU
in Chinese 25 Nov 88 p 1

[Text] MCA President Datuk Dr Ling Liong Sik said today that Prime Minister Datuk Sri Dr Mahathir has assured him that all promises made by the Barisan Nasional at the latest general election would be realized in due course.

The MCA president pointed out that he obtained the promise from the prime minister himself in the course of their discussion which lasted more than an hour on Tuesday afternoon.

He said that the Barisan Nasional government's promises made on the eve of the 1986 general election included the following:

1)that the government would recognize Tunku Abdul Rahman College diplomas, that it would rescind Article 21 (2) of the 1961 Education Act, and

2)that it would earmark funds to the project for Chinese new villages so they could be incorporated into the nation's development mainstream.

Datuk Dr Ling, who is concurrently transport minister, made these remarks while briefing reporters about the results of his meeting with the prime minister. Present at the briefing was Lee Kim Sai, MCA's deputy president and concurrently labor minister.

Datuk Dr Ling expressed confidence that the Barisan's promise and pledge would be fulfilled within a reasonable time, because the prime minister, along with the leaders of other Barisan member parties, does not want the people to think that the government is unreasonable.

Therefore, he added, the question whether those promises will or will not be turned into reality before the next general election no longer exists. He quoted the prime minister as saying once that as chairman of the Barisan Nasional, he affirmed that it is his obligation to see that the Barisan win the next general election.

Asked about what he meant by "a reasonable period of time," Dr Ling Liong Sik said allegorically that if it takes a container of goods six months by boat to reach London when it normally requires three months, that would be "unreasonable." Again, if it normally takes three months for a law firm to handle a real estate transaction, but now it is taking six months to close the deal, then the law firm is being unreasonable.

Datuk Dr Ling disclosed that his exchange of views with the prime minister went smoothly, adding that they both agreed to continue holding similar dialogues in the future to discuss social, economic and political issues.

"I believe that the agreement to hold more dialogues is a very positive step and a correct direction, for they will lead to a consensus on various issues gathered from all quarters. Lack of dialogues and mutual understanding tends to lead to a discrepancy in opinions, and this would be an unhealthy phenomenon."

He said that when he met with the prime minister previously, the discussions had mainly centered around the affairs of other departments.

This time around the meeting took place after Datuk Dr Ling had returned from a six-week overseas leave of absence. It was also his first news conference since he resumed work.

Replying to reporters' questions, Datuk Dr Ling said that "we must allow a certain reasonable period for the Barisan to keep its promises, and we hope it will not drag on to become unreasonable."

He pointed out that there is no connection whatsoever between his furlough and the UMNO infighting, but sheer coincidence. He continued that when he brought up the question of Barisan's keeping its word, he was by no means influenced by UMNO's A Team or B Team.

However, he did not deny that the sense of urgency for the Barisan to fulfill its promises has been brought about by his extended leave of absence.

He said that in the general interest of the people, the MCA will continue to unfold correct and appropriate actions. Its representatives in Parliament will continue to bring up reasonable problems concerning rights and interests as guaranteed by the constitution, because that is their tasks and their responsibilities.

Recently, when an MCA MP representing Bakiri constituency took part in a debate on the national budget and brought up the question of ethnic-Chinese interests and rights, he came under fire of UMNO MPs.

Ling Liong Sik said that the statistics brought up by the MCA MP came from an official source, and if some persons disagreed with the figures, they should sit down and talk things over.

"However, if the problems on legal rights and interests brought up by the MCA MP were termed narrow-minded, that is deplorable indeed," Datuk Dr Ling said.

Aquino Visits Schools in Relocation Areas
42000071a Manila THE MANILA CHRONICLE
in English 17 Dec 88 p 3

[Excerpt] President Aquino visited two relocation areas in the towns of Silang and General Mariano Alvarez in Cavite yesterday and assured the people there of Government's concern and commitment to give them a better life.

The President, who was accompanied by Press Secretary Teodoro C. Benigno, Education Secretary Lourdes Quisumbing, and Cabinet Secretary Jose de Jesus, first visited General Mariano Alvarez, where she inaugurated a two-room schoolbuilding at the Area J Elementary School.

The Area J school building is among the first to be completed by the Federation of Filipino-Chinese Chambers of Commerce and Industry (FFCCI) under the President's Social Fund Schoolbuilding Program.

The FFCCI, upon the request of the President, agreed to undertake the construction of 106 two-classroom buildings in some 30 provinces nationwide.

In the town of General Mariano Alvarez, which is basically a resettlement area for squatters from the Greater Manila Area, the President was welcomed by a cheering crowd of close to 1,000.

In her brief extemporaneous remarks, the President said that the inauguration of the Area J schoolbuilding was symbolic of the Government's commitment of a better education for all.

She said that in view of the limited resources of the DECS, the Government had tapped the Pagcor to fund the construction of schoolbuildings in various parts of the country. [passage omitted]

Editorial Supports Government Against World Bank

42000071e Manila THE MANILA CHRONICLE
in English 20 Dec 88 p 4

[Editorial: "The World Bank Is Not Always Right"]

[Text] The report that World Bank economists think that the Central Bank should gradually depreciate the peso was really no surprise. Nearly all those who have sat as Central Bank governor have made the maintenance of a stable exchange rate—even at times overvalued in comparison to international currencies—their most important task.

Putting aside the very technical considerations on what the country's exchange rate should be—for instance, the theory that all currencies over a period of time should

reflect their domestic inflation rates—the basic World Bank, as well as International Monetary Fund viewpoint, is that a depreciation of the peso would serve to boost the country's exports.

The World Bank argument is as follows:

If the price of a Philippine-made shirt is P200, U.S. buyers would be spending, at an exchange rate of P21.35:\$1, about \$9.37 to purchase it. If the peso depreciates to, say, P22:\$1, the Philippine export item would cost a lot cheaper, \$8.70. [sentence as published] The logic is that U.S. buyers would therefore buy more Philippine-made shirts.

The World Bank insistence on devaluations of course have led one type of nationalist to suspect that the institution harbors less-than-noble intentions since a cheaper peso would allow foreign monopolists to get more for their dollars. Using the above exchange rates, a \$1 million investment would purchase Philippine assets worth P22 million, instead of P21.35 million after a devaluation.

The World Bank prescriptions actually are too simplistic and does not take into consideration basic aspects of the Philippine economic structure:

The Philippine economy, and especially the country's manufactured exports are highly import dependent. This means first, that the purported cheapening of the country's exports through a devaluation would only be offset by increased costs. This is especially true for the country's two major export products, garments and semiconductors. A devaluation would hike up the cost for producing these two products. This would only require producers to put a higher price tag on them.

Secondly, the entire economy is import dependent—it still relies mainly on imported crude oil for one thing. Thus devaluations have always led to an inflationary push. Within the World Bank framework, this leads to an inflationary spiral: the first devaluation pushes inflation rates up so that the peso is forced to devalue, and so on and on.

What arguments for devaluation do not take into account is the unique political-economic context of a Third World country where economists' assumptions of "all things being equal," and "perfect markets" do not operate.

It is certainly an understatement to point out that the Philippine economy is an imperfect one. A slight devaluation leads only to massive speculation which does not take into account the economic fundamentals of a country. Political destabilization also leads to speculation to the exchange rate that renders business planning—crucial for any investor—useless.

Central Bank Governor Jose B. Fernandez is hardly known to be a critic of World Bank policies. His restrictive monetary policies, his actions that led to the closing of several banks have yet to be cleared of controversy.

However, he appears to have taken the right position in resisting the World Bank's prescription for a depreciation of the peso.

Biazon Told Military Harassing Government-Aligned Groups

42000071b Manila THE MANILA CHRONICLE
in English 17 Dec 88 p 4

[Commentary by John J. Carroll in the "United Notions" column from the Institute on Church and Social Issues: "People's Groups Under Pressure"]

[Excerpts] Human Rights Day was celebrated in an unusual way last Dec 10 at Group One, Area B, Payatas, Quezon City.

The urban poor, many of whom make their living from the nearby dumpsite, live in the area. Many also belong to a local people's organization, Alyansa ng Maralita sa Payatas (Ampat), which recently signed a memo of agreement with a number of national government organizations regarding a development plan for the area.

Ampat coordinates closely with the priest-in-charge of the area, Fr Joel Tabora. A sister organization, Sama-Sama, also coordinating with Fr Tabora, operates within the National Government Center and is working with the Government for the relocation of residents of the center to land set aside for this purpose by President Aquino.

When I arrived for my regular Sunday Mass at Group One on Dec 11, I was told that the afternoon before a Lieutenant de Castro, commander of a detachment stationed nearby, and a group of soldiers had arrived and called for a meeting of the people.

The Ampat leader called together a group and welcomed the lieutenant. The latter invited the people to watch an anti-communist film and then went on to denounce Ampat and Sama-Sama as underground organizations and priests in general as supporters of the NPA. "They have given up the Bible and taken up arms instead," he claimed.

Priests, according to him, should not involve themselves in community issues such as land; and the people should not deal with higher government authorities but only with the barangay. Finally, members of Ampat and Sama-Sama should report to the detachment; if they did not appear, the soldiers would come knocking at their doors.

For a moment, I found this amusing. [passage omitted].

For in three years of offering Mass in the place, I had seen no indication of "Leftist" thinking among the people; and Community Organizers of the Philippines Enterprise (COPE), the mother-organization which trains the Sama-Sama and Ampat leaders, owes its origin to the refusal of its founders to go along with other, more ideologically-inclined groups. As for Fr Tabora and myself, the accusation could help to improve our images among some of our more Left-leaning acquaintances.

But on another level it was far from amusing. Only the previous Sunday the husband of a Sama-Sama leader had been shot to death, probably by a hitman for a syndicate which is selling "land rights" in the area. Sama-Sama had exposed the scam.

Armed men were prowling around the house of other leaders at night. I had talked to one of these just two days before, a thin wisp of a girl with a small baby who had lost three nights' sleep but was not about to run away.

And the barangay leaders, apparently worried about the influence of Sama-Sama and Ampat, were reported to be denouncing them as "infiltrated" and asking for a CAFGU in the area—whose members of course would be "screened" by them. Besieged on three sides by the syndicate, the barangay and the military, Ampat's very existence was at stake.

More importantly, what is at stake in our society at present is the existence of independent people's organizations generally. Indeed, in Bukidnon the accusation is being made that the people's organizations opposing the logging companies there are "infiltrated"; one can well imagine who is behind that.

It cannot be denied that such organizations are attractive targets for the Left, and the underground has done the poor a great disservice by infiltrating and using some of them.

Yet autonomous organizations, through which the people can articulate their own needs and deal responsibly with Government, as Sama-Sama and Ampat have been doing, are essential if our society is ever to move beyond elitist politics and become responsible to the needs of the masses. After all, the Army too and civil government can be infiltrated; but we do not abolish them. It is only the poor and their organizations that we fear? And if so, why?

Fortunately for Sama-Sama and Ampat, they have high visibility and influential friends. At a meeting this week attended by a number of senators and representatives as well as responsible officials of government agencies with which they have been dealing, they were able to take their case to Brig Gen Rodolfo Biazon, chief of the National Capital Region Defense Command and a man of obvious integrity.

In turn he was able to present the problem as seen from the soldier's point of view, and the need for a far more sophisticated political education for the military as well as care on the part of people's organizations to avoid the reality, or the appearance, of infiltration. The way was opened for more dialogue and a more constructive approach.

But what of organizations with less visibility and fewer influential friends? Are they to be destroyed and demobilized until the military's political education is complete?

Or can sympathetic Church and government people, and civic leaders, help to bridge the gap in those cases also?

Church Leaders Give Government Low Marks
42000071d Manila THE MANILA CHRONICLE
in English 20 Dec 88 p 4

[Text] Church leaders were disappointed that the Philippine Government did not do more in 1988 to contain corruption within its own ranks and to achieve a strong land reform law and peace.

Mindanao-based Bishop Fernando Capalla of Iligan-Marawi, recalling the bishops' pastoral letters urging a stronger land reform law and a ceasefire in the government-communist rebel war, told UCA News, "Our words created hardly a ripple in society at large."

Cardinal Jaime Sin of Manila spoke several times in the second half of the year on corruption, which he named the "country's number one problem."

Success

However, Church opinion did seem to succeed in influencing public policy on population control. With some help from President Corazon Aquino and her Social Services Secretary Mita Pardo de Tavera, the Church persuaded government to moderate past population programs which the Church found objectionable.

For example, the government has not set population targets, which the Church claims lead to coercion of couples to use artificial means of birth control.

Meanwhile, Archbishop Orlando Quevedo of Nueva Segovia in Luzon spoke of the "watered down" land reform bill, congressional petty bickering, overt political ambition and human rights abuses committed by the military, and said that "for me as a churchman, the year 1988 was a year of unrealized hopes."

There has been some national economic growth, Archbishop Quevedo admitted, but this has not reached the ordinary citizen and prices continue to climb.

Failures

Sister Leontina Castillo, who heads the Association of Major Religious Superiors of Women of the Philippines, agreed with him on government failures.

"Cory (Aquino) is honest and sincere, but it stops there. Around her and below her, there is a lot of graft and corruption," she said.

Archbishop Quevedo said "a slow but very perceptive slide to total disillusionment" will go on unaltered unless government improves performance.

But religious leaders tend to avoid turning on the Philippine President.

At the most, according to the archbishop, the bishops will review their policy of "critical solidarity" with the Aquino government and perhaps give more emphasis to the word "critical" than they did in the past.

Anticommunist Groups Hold Summit in Davao
42000071f Cebu City SUN STAR DAILY in English
7 Dec 88 pp 6, 21

[Commentary by Cerge M. Remonde: "Anticom Leaders Meet in Davao"]

[Excerpt] [Passage omitted] The first regular meeting of the executive committee of the National Alliance for Democracy (NAD) held in Davao city was highly successful. It was attended by almost all of the leaders of the major anticomm organizations nationwide. I said almost because two leaders did not make it.

Jose Moales president of the Manila Crusaders for Peace and Democracy (MCPD), returned to Manila because he could not get a PAL seat for Davao City. He is the NAD national secretary. Boy Cuizon, chairman of Facom who has been elected NAD vice chairman for the Visayas, failed to attend the conference because of a prior engagement.

The leaders who gathered in Davao were Jun Alcover of Kadre, NAD executive vice chairman; Rev Dennis Casaje of Adam, vice chairman for Luzon; Ric Sardina of Alsa Masa Confederation, vice chairman for Mindanao; Rev Romy Redilicia of Red Alert Ministries, treasurer.

Former Mayor Ernie Camino of Bantay Bayan, NAD executive director; Dr Ben Carralde, also of Bantay Bayan, security officer; Doming "Firing Line" Alcorido of the People's Alliance Against Communism (PAAC), Jun Porras Pala of Kontra Force, and Lito Alcover of Padeka.

Two legendary figures took part in the conference. Lt Col Francisco Calida, the acknowledged godfather of Alsa Masa, and Lt Col Romy Maganto of the Western Police District, who founded the Manila Crusaders for Peace and Democracy.

The conference was able to finalize the mechanics, structure, and administrative policies of the national alliance. It also fixed the date for the holding of its first national congress on March 29 in Manila to coincide with the founding anniversary of the NPA.

Davao media gave a very good coverage of the conference. It was banner story in the MINDANAO DAILY MIRROR and PERYODIKO DABAW. TV 13 ran a 15-minute special report on the conference as part of its evening news report. TV 7 also ran a full news story in its evening edition.

The NAD is initially composed of 10 charter affiliate organizations. The Kadre, Facom, LCC, Paac, Bantay Bayan, Alsa Masa Confederation, Kontra Force, Alliance for Democracy and Morality, Manila Crusaders for Peace and Democracy, and the Red Alert Christian Ministry. It has a combined mass membership of 10 million nationwide. [passage omitted]

NPA Exploits Tribal Rebellion in Agusan del Norte
42000071h Quezon City NATIONAL MIDWEEK
in English 21 Dec 88 pp 3-5

[Article by Romi M. Gatuslao]

[Text] A low-key type of warfare is being waged by the Philippine Armed Forces against the gritty Higaonon tribe of Agusan del Norte. The strategy is usually combined with multi-pronged infantry attacks, shelling, and sometimes even air strikes. Despite the viciousness of these tactics, nothing was known about them until a fact-finding mission visited the area in August this year.

The main idea is to pit Higaonons against fellow Higaonons, and the concept—known as the Special Operations Group (SOG)—revolves around a consolidated, pro-government group of Higaonons who are willing to fight their tribal brothers.

As SOG camp in sitio Nabungcas, near the boundaries of Agusan del Norte and Bukidnon, for instance, contains about 70 Higaonons, a few Visayans and some Army regulars. It is strategically located right in the heart of Higaonon territory. The Higaonons, during military operations against the New People's Army (NPA), group themselves into three- to nine-man teams. They act as the military's bloodhounds. Once they have established contact with the rebels, they call on their complement Army platoon from the 30th Infantry Battalion, which will then surprise the insurgents. Big operations sometimes involve T-28s (Tora-Toras) and helicopter gunships.

The Special Operations Group rarely uses conspicuous logging roads, but instead cuts its trails across the jungles or follow those used by the tribesfolk.

Air and artillery support to "soften" the rebels is provided by Army camps near the highways while the Tora-Toras come from as far as Mactan, Cebu. Food blockades, however, not only affect the rebels but also innocent tribesfolk, and infantry strikes have destroyed a lot of property. Even farm crops are not spared.

When the rebels have finally been driven from their bases, the task of dismantling the rebel communities begins. But instead of using the slower, six-month process of immersing in the community and going through investigations, the dissemination of rumors and intrigues, and consolidation and development, the Special Operations Team instead goes for the more expedient method of relocating whole populations outside the rebel zone.

The whole strategy, of course, hinges on the Higaonons' outstanding knowledge of the hidden trails in the forest. This ability has been honed for generations because of a long tradition of internecine conflict. The tribesfolk's life centers on knowing how to escape and hide quickly. Their huts do not have walls so that they can easily jump out at the slightest hint of danger. Higaonons are also considered crackshots even with antiquated rifles. It is because of these skills that the military have given them special attention.

The Higaonon tribe has not been very fortunate in the preservation of its ancestral lands. Like most lumads (a generic term for indigenous peoples living in Mindanao), the Higaonons had lived before in the lowlands. Constantly driven by land prospectors into the forests, the tribe in time retreated into the mountains bordering the Agusan provinces of Bukidnon and Misamis Oriental.

But even then, they were driven still deeply into the jungle. In the sixties, a logging boom saw the arrival of timber companies in Butuan City. The largest, Nasipit Lumber Company, relentlessly cut through Higaonon lands, sparking resentment among the tribesfolk. Although some datos got carried away by offers of instant wealth, a group of defiant chieftains led by Datu Mangkalasi Mandahinog remained steadfast in its principles. Datu Mangkalasi's assassination in the hands of a hired killer in 1972 sparked the modern-day Higaonon rebellion. At that time, the NPA still had no units in the area.

Datu Kalasi, a former policeman and son of the slain chieftain, led the Higaonon rebellion. His revenge did not spare fellow tribesfolk who had acted treacherously. The objects of his wrath included forest guards, logging workers and even their women and children.

The government, through then Constabulary chief Brig Gen Fidel V. Ramos, attempted to woo Kalasi with offers of indemnity. But Kalasi demanded no less than the head of his father's assailant. When the military was not able to produce the latter, Kalasi returned to the mountains, saying: "My father's death can never be repaid with money."

Kalasi trained and politicized his own son, Hucad, who would eventually rival his father's reputation as a fierce and wily warrior. Hucad Mandahinog, who carries the nom de guerre "Jabbar," is now one of the most hunted rebel leader in Mindanao with a price of P80,000 on his head. He was behind the ambushes which killed Lt Col Arnulfo King, Adolfo Arreola (both in 1965), and Osito Bahian (in 1985). Last year, Jabbar, leading a regional guerrilla unit, blew up a V-150 commando vehicle and killed eight troopers in the jungles of Gingoog City.

Datu Kalasi himself surrendered to the government twice. The first time was in 1976 in exchange for the freedom of Hucad who was then languishing in the Cagayan de Oro City jail; and the second time was in 1979. Kalasi maintained that unchecked abuses against his tribe always forced him to go back underground.

Recently, the Higaonons took their defiance a little farther. In a statement released last June, the rebel datos announced that they have declared 10,000 hectares of virgin forest inside Nasipit Lumber Company's concession a forest reserve.

On June 20, the Higaonons made good their declaration when Jabbar destroyed a bridge in Butuan and burned a couple of Kenworth trucks, dumping one into the creek and using the other to barricade the road. This forced the logging company to close two of its logging sources, leaving only the Anakan (Gingoog City) line open.

Today, the site serves as a demarcation line between the rebels and the military. Lt Reno Tolentino, commander of the Charlie Company of the battle-scarred 30th Infantry Battalion, remarked: "Beyond that line, everyone, including women and children, is considered the enemy." At the other side of the destroyed bridge, tribesmen patrol the area. They are part of the rebel milisayang bayan [people's militia], which the tribesfolk see as the modern version of the alimaong or native warriors.

The communist insurgency has effectively and wisely woven itself into the fabric of the Higaonons' struggle. When the NPA began establishing its bases in the area, it found a tribal rebellion in full swing. In March 1976, Kalasi joined the NPA and became a member of the very first guerrilla unit formed in north central Mindanao.

Since most tribesfolk are sympathetic to the NPA, guerrillas see no need to conceal themselves when staying in suspected rebel tribal communities. The military exploited this situation by forming the SOG.

Faced with this tactic, the NPA is also rethinking its military strategy. "Establishing regular detachments in communities is no longer applicable," says Gabby, the guerrilla commander in the region. "This would only expose us to the SOGs."

As a temporary measure, the rebels are fielding small units of [people's militia] to match the enemy's commando tactics, while regular rebel forces stay out of sight.

Meanwhile, the Higaonons will just have to suffer the reality of facing each other in battle.

Editorial Hails Chatchai, Faults Past Indochina Policy

42070037a Bangkok SU ANAKHOT in Thai
26 Oct-1 Nov 88 p 6

[Editorial: "Chatchai and the Trip to Vientiane, a Significant Matter"]

[Excerpts] The prime minister of Laos has invited Maj Gen Chatchai Chunhawan to come visit Laos. The invitation was extended through Gen Sisavat Keobounphan, the Lao chief of staff officers. Even though no definite date has been set, this has helped improve relations between our two countries.

The Thai prime minister has told Laos that he would like to see this region, particularly Indochina, transformed from a battlefield into a trade field, because the real enemy of our two countries is poverty. We should be fighting against poverty. He wants Laos and Thailand to cooperate in developing our two countries. Thailand will be glad to help in whatever way possible, including engaging in scholarly and technological exchanges. Thailand wants to trade with Laos as much as possible. Gen Sisavat said that Laos shares this desire. Laos has been at war for a long time. It's time to stop fighting. Laos wants peace. It wants to develop the country. Laos has promulgated an investment promotion law and would welcome investment by Thai. Laos has many resources. A meeting between the prime minister of Thailand and the leader of Laos to discuss promoting the economies of both countries will benefit both countries.

This is very praiseworthy. In just the 2 months since he took office, Maj Gen Chatchai has taken steps to improve economic relations with Indochina. It is thought that Thailand's economic problems with Vietnam and Cambodia will gradually improve if the Social Action Party, which controls foreign relations matters, reduces its role and accepts the leadership of Maj Gen Chatchai.

During the past 8 years, Thailand's foreign affairs were under a self-restricting policy, in which economic relations with neighboring countries were restricted just in order to maintain our honor. Actually, we were following the lead of the super powers, and this did not benefit us at all. [passage omitted]

The prime minister is trying to improve relations with neighboring countries in order to expand trade, which will benefit the country's economy in the future. What needs to be considered is what effect this will have on the political party and parliamentary systems and on the problem of inflation, which is growing worse.

Danai Dunlalampha Comments on Trade, Drug Patent Issues

42070045b Bangkok MATICHON in Thai
2 Dec 88 pp 1, 21

[Excerpt] [Passage omitted] Mr Danai Dunlalampha, the Thai ambassador to Belgium and the former director-general of the Economic Department, talked about the report that the Ministry of Foreign Affairs sent a memorandum to the United States concerning the copyright law on computer software before obtaining approval from the cabinet. He said that the U.S. embassy in Thailand sent a note asking the Thai government to revise the law to cover computer software. This note was sent to the Ministry of Foreign Affairs in 1985. The ministry submitted the matter to the cabinet on 11 September 1986. On 16 September 1986, the cabinet approved protecting U.S. copyrights as necessary based on the 1966 Treaty of Amity and Economic Relations between Thailand and the United States. He said that he prepared a memorandum explaining this resolution on 26 September 1986, one week after the cabinet passed this resolution.

Mr Danai also talked about drug patents. He said that the United States cannot use this treaty to make demands, because the Thai people have not been protected either. He said that the memorandum mentioned above was not a trade agreement. It did not make any promises, and it was not a state-to-state agreement. No commitments were made. [passage omitted]

POLITICAL

Social Scientist Interview on Delegation's U.S. Visit

42090083 Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 20 Oct 88 p 2

[Interview by Truong Quan: "Vietnamese-U.S. Scientists Can Be One Step Ahead of Relations Between Two Countries"]

[Excerpts] By invitation of the American Council for Research in Social Science, a delegation of Vietnamese social scientists recently visited the United States for 3 weeks (it left Vietnam on 7 September and New York on 2 October 1988). Engineer Pham Van Bay, vice chairman of the Municipal Union of Science and Technology Associations and a member of the delegation, granted SAIGON GIAI PHONG a brief interview on this trip.

[Question] First tell us who were other members of the delegation besides you.

[Answer] The head of the delegation was Professor Pham Nhu Cuong, an alternate member of the CPV Central Committee and chairman of the Social Science Commission. The remaining three members were, besides me, Le Van Sang, (holder of an MA (degree), head of the Social Science Commission International Cooperation Department, and Professor Bui Thien Du, head of the International Cooperation Department of the Ministry of Higher, Secondary Vocational, and Vocational Education. I need to add that the fact that some members of our delegation are holding high positions in our party and administration posed obstacles to their being invited to visit the United States—because of the fact that between our government and the U.S. government there are no official diplomatic relations; however, finally the trip was made thanks to efforts on the part of the American Council for Research in Social Science and on our side. Through this incident, we believe that the Vietnamese-U.S. scientists can go one step ahead in laying the foundation for other official and normal relations between the two countries.

[Question] During the time it spent in the United States, where did the delegation visit and work?

[Answer] We got in touch with the Washington, Michigan, Harvard, Massachusetts, and Georgetown universities; the Smithsonian Institution; the Society of American Scholars; and the American Council for Research in Social Science. The delegation also met with the chairman of the U.S. Academy of Sciences (of the natural science branch) in a dinner reception in his home.

[Question] Can you tell us where among those places did the delegation work most of the time and the contents of its work?

[Answer] We mainly worked with the American Council for Research in Social Science. There the delegation officially signed a cooperation agreement, which had been initiated in Hanoi in January 1988, and discussed the cooperation plans for the next 3 years, particularly the plan for 1989 and the direction to take in the 2 subsequent years.

[Question] Specifically regarding Ho Chi Minh City, in the capacity of representative of the Municipal Union of Science and Technology Associations, did you arrive at any agreement with the American friends regarding cooperation between the two sides?

[Answer] We did sign an agreement document. We and the American Council for Research in Social Science agreed to start a "period of getting acquainted and planning"—this period will not exceed 12 months—so as to have a basis for setting up a long-term "cooperation plan."

[Question] Please let us know a few most important things which the two sides agreed on.

[Answer] Some important things were as follows: The American Council for Research in Social Science will seek funding for Vietnamese scholars in general, and Ho Chi Minh City scholars in particular, to come to the United States to work on a cooperative exchange basis. The two sides agreed to cooperate and do research on the following: industrial technology transfer in developing countries, methods of investigation in sociology, environment and ecology, urban management, small enterprise management, national medicine, and so on. The council will seek assistance in terms of equipment and documents to help the Municipal Union of Science and Technology Associations to improve the teaching of English, including the possibility of sending teachers of English from the United States to help the municipality and sending the municipality's teachers to the United States for further training. The Municipal Union of Science and Technology Associations will propose inviting American scholars to the municipality under its sponsorship and, on the other hand, the council will invite Vietnamese scholars to come to the United States under its sponsorship. We agreed that both sides will contribute to the expenses in accordance with the principle of mutual relationship; financial arrangements will be discussed for specific cases. [passage omitted]

[Question] You probably met some overseas Vietnamese in the United States? How did you find their attitudes and opinions?

[Answer] Our delegation met a number of overseas Vietnamese who had come to the United States before 1975. They are scholars of high-level background who are teaching in colleges. As they met with the delegation, they seemed truthful, open-minded, and composed; showed feelings that were directed toward the country; and expressed the hope that there would be more contact

between the two sides and more information about the country made available to the overseas Vietnamese in the United States so that they could oppose the false propaganda arguments found in the publications of the reactionary Vietnamese emigres, which are flooding here. Unfortunately, at the present time we are limiting the sending of publications abroad.

[Question] We believe that the trip you and Professor Chu Pham Ngoc Trinh, the scientists of Ho Chi Minh City, recently made in the United States would actively contribute to the cooperative relations among the scientists of the two countries and lay a foundation for their normal relations.

Law Needed for Religious Activities
42090079 Hanoi NGUOI CONG GIAO VIETNAM
in Vietnamese 13 Nov 88 p 2

[Excerpts from speech by Nguyen Thanh Vinh, chairman of the Vietnam Lawyers Association in Ho Chi Minh City: "There Must Be a Law Regarding Religious Activity"]

[Text] As an ordinary Christian who does legal work, I take the view that the laws of any regime must be intended to strengthen and protect that regime, and differ with regard to what class or stratum of people their specific contents serve and how they are applied.

As regards we Catholics, as citizens of Vietnam we surely understand that the law has the duty of protecting our freedom of religion, while at the same time protecting the right of the people to have other or no religious beliefs, on the basis of not allowing religious activities to oppose the regime. In an independent, free, and sovereign nation, which is gradually making progress in serving the people materially and spiritually, laws reflect the regime's lines definitively, unambiguously, and fairly.

After the establishment of the people's democratic regime, a National Assembly was elected to draft a constitution. In 1946 our state's first constitution stated explicitly that "All citizens of Vietnam have freedom of religion."

In order to increase the effectiveness of the government's policy toward religion, as recommended by the National Assembly delegates representing religions, the National Assembly approved a resolution which stated specifically:

1. All citizens of the Democratic Republic of Vietnam have freedom of religion and the right to worship. The clergy have the right to preach in the religious organizations. The laity are free to worship. Religious publications and materials may be published in accordance with the law.

2. Both clergy and laity enjoy full rights and must fulfill all obligations of citizens. So that the clergy may have conditions for practicing their religion, there will be appropriate toleration toward them regarding the fulfillment of their obligations as citizens.

3. Churches, pagodas, and temples are respected and protected.

4. The religious and cultural organs, and the industrial-commercial organizations of the religions, are protected by law.

After half of our country was liberated, in order to protect the people's freedom of religion and control the counterrevolutionary elements and the bad elements within the religious groups, who impeded the great undertaking of national development, President Ho issued Decree 234-SL, dated 14 June 1955, which guaranteed freedom of religion (articles 1-7) and stipulated the economic, cultural, and social activities of the religions (articles 8 and 9), and resolved in a thoughtful manner the problem of land belonging to the religions (articles 10-12) and the relationship among the government, the people, and the religions (articles 13-15).

Although the policies and laws were still summary in nature, they still served to encourage the Catholic masses to participate in the revolution in increasingly larger numbers until the day the nation was completely liberated.

Under the conditions of the nation having only recently been liberated and preparing to change over gradually to the phase of transition to socialism, in order to guarantee freedom of religion while also staying the hand of the bad elements who were taking advantage of religion to impede national development, especially in the newly liberated areas, the Council of Ministers, on the basis of Decree 234-SL, dated 14 June 1955, determined the principles regarding the specific policy vis-a-vis religions. Resolution 297-CP, dated 11 November 1977, more than 10 years ago, had a definite effect.

Although no conference of the religions has been held to discuss in depth the question of whether or not Resolution 297-CP has been strictly implemented, many meetings of Catholic groups have concluded that the Catholic congregation has not yet implemented the stipulated policies well, and complaints have been made that in one place or another governmental cadres have not been concerned with implementing that resolution for many complicated reasons, which has limited the enthusiasm of Catholics. Thus, in view of the old and new requirements, Resolution 297-CP must be amended by means of a law, as the party and state are doing in other spheres.

The strict implementation of the law on the part of some people, as well as some Catholics, is based on many factors. With regard to cadres, the party and state have applied remedial measures. We should concentrate on discussing the remaining problems within our ranks.

I believe that any Catholic who still harbors that suspicion lacks firm belief in the righteousness of his religion. Our religion is built on the standpoints of morality and righteousness. Although there were definite historical phases, we were exploited by the feudalists and imperialists, who used us as their tools. We must clearly realize that so that we can believe in ourselves and develop what is good in our religion.

To speak in a popular manner, our religion amounts to morality, righteousness, justice, and altruism.

The long-range goal and mission of the Vietnamese revolution is to enable the entire Vietnamese nation to be well-off and happy and to have lasting peace.

Thus the revolution is morality and righteousness. There can be no question of morality and righteousness negating morality and righteousness.

The problem is to cause freedom of religion to be respected.

As a full-fledged regime, the state must manage society by means of laws and gradually eliminate management of the nation by means of policies and regulations. Laws are the standard for differentiating between right and wrong. The time has come for Catholics to recommend that the National Assembly rapidly draft a complete law regarding religious activities, to replace the policies, resolutions, and decrees. I am confident that, under the present circumstances of the nation, when there must be solidarity of all the people, a law regarding religion will soon be promulgated.

MILITARY

Theft of Weapons, Explosives Called 'Very Serious'

42090096a Hanoi QUAN DOI NHAN DAN
in Vietnamese 27 Nov 88 p 2

[Maintaining Security Column by Vinh Phuong:
"Thefts, Illegal Trading of Weapons and Explosives"]

[Text] Together with the complex changes occurring in the negative phenomena in socio-economic life, the theft and illegal storing and use of weapons and explosives are very serious and have truly become a concern of millions of persons. If we consider only the data compiled by the Public Security Forces between 1981 and 1987, the persons assigned the task of managing weapons and explosives have allowed 736 cases to occur in which weapons and explosives have been lost, including 684

guns of all types, 20.5 tons of explosives, 621 grenades, 70 mines, 42,000 rounds of ammunition, 4,000 meters of fuse wire and more than 1 million blasting caps.

During the first 8 months of 1988, there were 122 cases involving the loss of weapons and explosives. Of these, 28 cases occurred in Army units, 17 in the building sector, 12 among Public Security Forces, 10 within the energy sector, 5 within the forestry sector and the remaining within other sectors and agencies. Practically all the cases involving the loss of weapons and explosives occurred when cadres or soldiers responsible for managing them went away on assignment, took weapons and explosives home or left them at their agency, as a result of which they were stolen due to security weaknesses.

Besides the cases involving allowing weapons and explosives to be lost, illegally trading, storing and transporting weapons and explosives are also very serious. During the first 8 months of 1988 alone, 137 persons were arrested in 96 different cases. In the past, weapons and explosives were usually only traded or stored for the purposes of making fireworks or for fishing. Recently, criminals at many places have been using weapons and explosives to commit serious crimes, such as murder and robbery. At some places, weapons have been traded for forest products, materials and goods. Duong Thi Lai in Thanh Hoa Province stored weapons to trade for forest products. In a search of her house, 2 rifles and 34 rounds of ammunition were confiscated. In many cases involving the loss of weapons and explosives at warehouses of the Army and the various sectors, warehouse custodians and security personnel have conspired with criminals, selling weapons and explosives to them for use in the commission of crimes.

In a number of sectors, localities and units, the failure to strictly observe the procedures on the management of weapons and explosives has resulted in 13 fires and explosions.

In some economic sectors, a lack of concern for inspecting and properly maintaining weapons and explosives has resulted in explosives being stored in warehouses beyond warehouse capacity and even in weapons and explosives being stored outside under canvas at some places. According to a report by the Ministry of Energy, more than 1,000 tons of explosives under the ministry's management were being stored outside as of April 1988 due to the shortage of warehouses. Due to improper storage, inadequate inspection and the lack of routine maintenance, many weapons break and rust and many explosives degrade in quality and cannot be used.

No one is able to measure the serious economic, national defense and security consequences of the theft and illegal trading and storage of weapons and explosives to date. No one is able to accurately estimate how many weapons and explosives are currently in the hands of criminals and how many thousands of crimes will be committed as a result.

Clearly, this situation cannot be blamed on objective causes. Although we are admittedly encountering many economic and social difficulties in our country today, these difficulties have not reached the point where we do not have the money needed to build a secure arsenal for weapons and explosives. In many meetings held to discuss and resolve this problem, numerous sectors and units have cited many different reasons: a shortage of warehouse space and a lack of building materials have forced them to leave hundreds of tons of weapons and explosives outdoors. But it never occurs to them that the money spent on a formal, proper conference, on a banquet or a reception amounts to tens of millions of dong!

Within many economic units of the Army and public security force, the implementation of regulations on the inspection and storage of weapons and explosives is not given full attention. Unit commanders usually assign this work to a cadre, the warehouse custodian or security personnel. As a result, there is no attention given to routinely inspecting compliance with regulations on the maintenance of weapons and explosives. The lack of good internal educational work and proper screening have resulted in many cadres, security personnel and warehouse custodians not only being unable to fulfill their duty in looking after and maintaining the security of weapons, but also in many of these persons stealing weapons and supporting criminals out in society.

The investigation and prosecution of cases involving losses, shortages and the deterioration of the quality of weapons and explosives as well as cases involving the illegal trading and storage of these "special goods" are not strict nor thorough and do not result in specific persons being held personally accountable. As a result, there is not a high sense of discipline or legal responsibility in the protection and management of weapons and explosives. Many fires and explosions have destroyed a large number of weapons and explosives but these incidents have not been thoroughly investigated nor has anyone been prosecuted.

On the basis of the above, we propose:

- The functional sectors tasked with managing weapons and explosives must launch inspection campaigns, reorganize the warehouse system for weapons and explosives and fully prosecute violators of the law.
- It is necessary to conduct research into amending security regulations regarding weapons and explosives. We must stipulate which persons may be armed, reduce the scope of persons who are armed where being armed is not considered necessary and strictly regulate the management of weapons in the transportation, issuance, maintenance and use of weapons within units. We must not allow individuals who go on leave, retire, leave the military, transfer to another sector or desert to freely take or bring back weapons with them.

—Party committees and local administrations must intensify their guidance of the various sectors and levels with regard to launching campaigns among the people to discover and reclaim weapons and explosives which are currently in the hands of criminals and some persons who do not have the job of managing weapons.

The legal agencies of the state must coordinate in these efforts by fully prosecuting cases involving the theft or the illegal trading and storage of weapons and explosives.

Editorial Outlines Ideological Work Objectives
42090093 Hanoi TAP CHI QUOC PHONG TOAN
DAN in Vietnamese Oct 88 pp 3-10

[Editorial: "Ideological Work in the Army Illuminated by Resolution 5 of the Party Central Committee"]

[Text] Renovation and strengthening of the party's ideological work was one of the urgent issues on party construction mentioned and dealt with in the aspects of course, theme and many specific methods by the Fifth Plenum of the Party Central Committee. These are also the course, theme and methods in ideological work for the entire people and Army in the complex situation of the country at the present time.

At the Party Central Committee plenum, General Secretary Nguyen Van Linh pointed out, "Everyone believes that with such difficult economic and living conditions, ideological work is impossible!" There are also those in our Army who believe that the reason negativism has arisen, developed and persisted is primarily the difficult and impoverished living conditions, still inconsistent compensation policies and the effect of the negative situation from outside society. From this, the view is held that ideology can be raised only by raising living conditions and correcting policy, and only when wholesome social relations are attained can ideology in the Army be pure and strong! These viewpoints are one-sided and incorrect. Some have cited the saying, "Those in a bind act recklessly" but have forgotten the saying, "The poor have their integrity." They have slipped from determinism to common materialism and have forgotten the supervisory role of positive and vanguard ideology.

Actually, in all of its activities, our party has no other objective than to restore independence and freedom to the nation and happiness and well being to the people. Confronted with the difficult situation of the nation at the present time, the party still continues to devote all efforts in pursuing that noble objective. However, throughout the revolutionary leadership process, in favorable and well as difficult times, the party has never neglected ideological work and is steadily strengthening that work during the present situation. To our Army, at this time more than ever before, along with concern for material life improvement and other tasks, it is progressively necessary to give special emphasis and renovation to ideological work. The theme and spirit of Resolution 5 of the Party Central Committee must be strictly,

thoroughly and creatively implemented, causing ideological work in the Army to become increasingly sensitive, produce effective results, competently support renovation, resist negativism and win victory for every mission assigned by the party, the state and the people.

Resolution 5 of the Party Central Committee places theoretical effort in a foremost position in ideological work, closely connecting theoretical research with practical research and summarization of experience aimed at effectively supporting thought renovation, promptly and accurately substantiating party resolutions in every field into specific positions and policies, and successfully completing those positions and policies. This is primarily raising the political leadership standards of the party to a level with the requirements of the present historic mission.

Everyone probably easily perceives the mounting difficulties in the economy, society and life, in the struggle against negative occurrences and in every type of corruption presently rampant within the party and state apparatus and among the people, and from that can easily see many methods for acting on a backward and obsolete manner. It is also easy to see the malice in the plots and stratagems of reactionary influences that are destroying and bleeding us from many directions. However, few have recognized a great and intangible but extremely specific problem existing in many fields of social life that our party is industriously studying and researching. These are the theoretical issues concerning the road to socialism of our country and the specific positions and policies on that road for supervising realistic actions in building socialism and protecting our fatherland.

This is the very theme of renovation and is a problem which every cadre and party member must give concern and effort in resolving. If every cadre and party member remains a bystander to this great difficulty, neglects theory and theoretical research, only appeals for renovations without knowing how to accomplish renovation, and only makes demands to the party, state and upper echelons but fails to recognize his own responsibility, the renovation work cannot be successful. The new positions and policies of the party will be difficult to responsively accept and thoroughly implement. The difficulties with which we are still groping will also be difficult to successfully resolve.

The international situation as well as that of our country is presently posing countless new problems. Many countries in the world are discovering problems with a topical nature and profound effect on the progress and development of human society controlling every nation, people and class. Many socialist countries, representative of which is the Soviet Union, are shifting strongly to the renovation route, and from their own practice, producing many new argument points, and are daring to negate many old points that were once considered a model of Marxism-Leninism.

Our party is constantly concerned about following these new developments while simultaneously originating, from the revolutionary practice of our country, study to summarize experience and efforts to find, test and gradually raise theoretical issues about the road to socialism under the specific conditions of Vietnam in order to illuminate and lead the task of renovation in our country.

Military theoretical work naturally must maintain close contact with new developments of the era, other nations and our own nation in order to resolve the theoretical problems presented in protecting the fatherland, strengthening the national defense and building the Army of our people. If too attracted to a daily material life, or fragmented due to different and diffused thinking, failing to give full concern to the theoretical problems of the world and the country, and considering a heated current event of the entire world as nothing new or being unaware of it, what can be done to renovate military thinking? If military thinking does not remain closely involved in the economy and economic strategy, does not originate from our revolutionary and military practice, neglects its own experience, does not emphasize summarization of experience in every aspect, and does not strive to study the advanced knowledge and experience of the world, no matter what the subjective expectations for renovation, thinking will in substance still be unable to escape scholastic, indecisive and dogmatic circles or will fall into empiricism. It will therefore be unable to understand our strategic positions and policies, will increasingly be unable to effectively implement those positions, and will be unable to competently serve as a staff for the party.

This is not yet mentioning the unclear expressions of subjectivism and self-satisfaction in theoretical research and practice summarization. With a lack of modesty, unwillingness to study, neglect of the opinions of others, and blindness from the halo of past military exploits, political affairs rich in experience will still reach a situation of intellectual impoverishment. As Lenin pointed out, our strengths of yesterday are often the very source of our weaknesses today if we obstinately embrace our old experience and wish to resolve new problems with old methods. How could we in this way renovate ourselves, to say nothing about leading the way in the renovation task of the country and Army?

The Fifth Plenum of the Party Central Committee affirmed the fine nature and revolutionary tradition of our party and the great lessons learned in building the party in the national and democratic revolution and in the past socialist revolution while simultaneously pointing out that the entire party must respect, maintain and develop the fine traditions of the party, permitting it to live again in the undertaking of today, closely coordinated with education and advanced training in the revolutionary quality of the cadre and party member under new conditions.

To successfully accomplish this, it is necessary to overcome both tendencies of: either using the difficult and complex environment as a pretext to defend negative occurrences; or teaching nature and traditions with an old theme and only by old methods without fully originating from the objective conditions of the current revolutionary struggle.

Although the present situation of negativism in our party is extremely serious and widespread, we still have the right to say that the majority of our cadres and party members have surpassed every difficulty and hardship, resolutely endured, and bravely engaged in combat, work and diligent labor without being controlled by the social environment or seduced by money or reputation, to stand strongly at the post of a revolutionary soldier. There also are ranks of such cadres and party members. Our party, state and Army remain firm in the midst of challenge-filled tempests, and serve as a support for our system and society in the face of every attack and destruction of the enemy.

However, it must be admitted that many degenerate and deviant cadres and party members exist; with even many who still maintain fine revolutionary qualities but whose combat effectiveness is limited. Consequently, the combat strength of the party cannot be elevated and negativism develops, spreads and to this time has not been halted. In the struggle against the enemy with guns and bullets, those who vacillate are halted, immediately exposed and find it difficult to hide; additionally, in the previous revolutionary period, a high tide of all the people rose in determination to fight for liberation of the fatherland and reunification of the country, a high tide that stimulated and attracted everyone. Today, on the economic front, many individuals with position, power and material control in their hands are easily manipulated; camouflaging and turning bad into good. The bureaucratic management and state subsidization system is a location and screen for fraudulent accomplishments and base things to be camouflaged as good. Meanwhile, education of revolutionary nature and traditions is neglected, or if conducted, is of a generalized type.

Previously, when socialism was only a dream or during the period of socialist construction in the northern part of the country, international aid was also a type of "state subsidization" assisting us to win victory and socialist education at that time was only to unilaterally elevate the superiority of socialism. Today, the essence of socialism is more profoundly perceived. In our country, socialism is not only a dream but is being introduced to realistic life to win gradual success. Our Army must carry out a combat and combat readiness mission under conditions in which the entire country is engaged in two strategic missions with the foremost mission that of building the nation and the economy. Therefore, socialist education today must carry out a new theme. Teaching the revolutionary nature and traditions of the party and the Army

must be closely connected with this new theme. Education of socialism must still continue to elevate its fine aspects (without vacillation), while simultaneously teaching the difficulties and hindrances on the road ahead. Education in the socialist revolutionary line of the party must be closely connected with the resolutions of the Sixth Party Congress, the Central Committee, the Political Bureau and the Central Military Party Committee. It is necessary to firmly grasp the strategic line and strategy of the party in the present international background, firmly grasp the two strategic missions of building the nation and protecting the fatherland, discern correct principle and flexible strategy, forge political ability, and uphold a combat will without an ambiguous loss of vigilance toward the enemy and without deviating to the Right or "Left." On that basis, uphold the vanguard spirit and example of the cadre and party member, and maintain and develop an "Uncle Ho trooper" nature. Develop and encourage study of (truly) advanced examples expressing the noble qualities of revolutionary heroism in the new struggle. Criticize and determinedly overcome expressions of negativism in the Army and assist in resisting negativism in outside society, even in the local areas where troops are stationed. Vigilantly struggle against every psychological warfare argument and every destructive plot and action of the enemy. Effectively implement the campaign to purify and raise the combat strength of the party and state apparatus, and to make social relations wholesome.

Political and ideological education must be firmly coordinated with the tasks of policy, organization, inspection, law, material assurance, etc., aimed at building specific men with revolutionary qualities and the practical abilities for the present decisive and complex struggle of our nation and Army.

To overcome the obsolete, unilateral and unpersuasive ways of operating, it is necessary to appropriately renovate ideological work forms and methods with the standards and psychology of the masses in the present situation. Resolution 5 of the Party Central Committee presented the need for "expanding a spirit of democracy, openness, truth and combat while simultaneously protecting the secrecy of the party and the nation."

At one time, a spirit of democracy, openness, truth and combat were not emphasized in ideological work. A number of recent changes have been made but requirements have still not been met and the need exists for elimination of many obstacles for more thorough achievement. Some problems have not been presented in the various means of mass communications but are still openly known in units or agencies or at one level or another, depending upon the nature and consideration for the advantages and disadvantages of each incident and matter. However, one should not because of this run from one pole to the next to demand absolute democracy and total openness, negate propaganda discipline, and fail to comply with the requirements for maintaining the secrets of the nation and national security and the other

requirements of leadership without deliberation within the information field. The Army must increasingly give concern to maintenance of military secrecy.

Democracy and openness themselves rely on the people and the masses to seek out the truth and on the truth is it possible to illuminate the correct position and policies and create a genuine revolutionary movement and from that build and strengthen a firm emplacement of revolutionary ideology. Bureaucratism, arbitrariness and individualism usually conceal the truth, and create fraudulent movements and formalism. They in themselves are negativisms increasingly paving the way for other negativisms to develop.

With democracy, the right to speak must belong to every citizen, not just someone who has an exclusive right. It is not as before the exclusive right of this number of individuals and now the exclusive right of others. Democracy has both rights and duties, the right to speak and the duty to listen, so it is extremely necessary to uphold morality, modesty and sincerity, and to know how to wait without forcible prevention. It is unnecessary to hurriedly maintain that one's opinion is the truth. Real truth enters and persuades the heart by scientific argumentation, not coarse and unmannerly statements. Democracy and openness are to discuss the problems of theory and viewpoint, distinguish between right and wrong, and benefit the national welfare and the people's livelihood, not to attack the individual. Taking advantage of public discussion to "dethrone" another or for mutual flattery is in itself self-reduction of one's own prestige. Naturally, resisting negativism in the press is not to attack the individual but to purify the party and assist in making social relations wholesome.

The spirit of combat in ideological work is also combat by reasoning and the strength of perceived truth. Although court arraignment and disciplinary action have a reciprocal effect on ideology, they are not in the field of ideological work. Arbitrary, disparaging and "large knife, big hammer" statements do not represent the truth but become a kind of authoritative expression that by itself is a confession of ineffectiveness.

Democracy, openness, sincerity, combat spirit and the need for maintaining secrecy in the final analysis are not objectives but only methods and requirements for reaching the objective of ideological work to build and firmly strengthen an emplacement of revolutionary ideology to repel and overcome negative ideology and to defend against any enemy sabotage. In the end, it is necessary to use the successful completion of every mission and construction of the new man as a yardstick for measuring the effectiveness of ideological work.

On the basis of the correct revolutionary line of the party, the results of ideological work are entirely dependent upon the quality of the ranks engaged in ideological work. Thus, concern must be given to building and

developing the role of party committee echelons, primary level party organizations, party schools, propaganda and training agencies, the press, publishing, culture and literature along a course of actively supporting the renovation task.

Most important to the ranks of those engaged in ideological work is establishing a position on the responsive grasp of the new and dynamic in practical activities, promptly overcoming occurrences of conservatism, inaction, fluctuation, deviation and opportunism. At a time in which a review of our party indicates mistakes in strategic supervision, setting forth the renovation task, actively expanding democracy and openness, renovating the management mechanism, etc., there are instantly many extremely rich, bold and constructive opinions. Some can be right or wrong. Faced with problems of not knowing clearly which are right or wrong, caution and a search for understanding are necessary, without hurried criticism. All need receptiveness, encouragement and study. Signals and differing viewpoints have also gradually appeared. This is also easy to understand.

It is necessary to affirm the problems of a principle nature, supplement and develop their theme, and activate those principles under new conditions. A more profound perception of socialism, socialist economy and socialist economic management does not mean a reversal of socialism or a union of socialist economy in every one of its elements with a position of economic management following the capitalist formula (of course, there must be a differentiation between the overall pattern of the economy under both conditions of capitalism and socialism and the profit pattern of capitalism). Expand democracy but still make it socialist democracy. Freedom of the press is still socialist freedom of the press. Although our democracy and freedom are still far from the requirements of socialism and many weaknesses and shortcomings still exist, an examination of both essence and practice in many fields indicates that they still totally differ from and are superior to the democracy and freedom of capitalism—a kind of democracy and freedom that seem to be for everyone but which are really for "capital" (and that is also the domination of "capital").

The Standing Committee of the Central Military Party Committee has issued a number of resolutions on cultural and literary work in the Army; and on strengthening the leadership of the party aimed at raising the quality and understanding of press work in the army. The Minister of National Defense has also promulgated regulations for managing the press, publishing and printing in the Vietnam People's Army. These resolutions and regulations must be strictly implemented; with firm united action between the various branches on the ideological work front in accordance with the individual orbit of each type of activity, under the unified leadership of party committee echelons and the concentrated management of the commander and the guidance of the political agency.

An extremely basic and completely penetrating organizational principle in every practical activity of our party is the principle of democratic centralism. It is necessary to distinguish a clear-cut demarcation between discussion and achievement, and between contributing opinions and execution. Every echelon, sector and agency, including mass communication agencies, must have the right to discuss, criticize and contribute opinions to the party, from the primary level to the Party Central Committee, both on line, position and policy, and on achievement organization. However, it is necessary to strictly comply with the resolutions of the party and to ensure that in discussion, there can be many opinions but in action, there can be only one way, that of thorough accomplishment. Undisciplined freedom, parochialism, regionalism and departmentalism only cause a confused situation to become more confused, and taking advantage of that situation, negativism to increasingly develop and testing of party resolutions difficulty due to ineffectiveness.

Ideological leadership at this time is truly complex and difficult; it reflects the complexity and difficulty of the revolutionary struggle seething in our country and the world. Leadership ability must be truly firm and alert with a firm grasp of the political mission and simultaneously a firm grasp of forces and means, especially the mass communications, cultural and art agencies. It is necessary to understand and apply the special characteristics of various fields of activity, delving into the feelings, thoughts and cultural and spiritual lives of mankind, and solidifying and developing the wholesome effects of all ranks and all implements and means to truly form one strong force on the ideological front struggling for renovation of our entire party, people and Army at the present time.

Ways To Fulfill Goals of National Defense Education

42090094 Hanoi TAP CHI QUOC PHONG TOAN
DAN in Vietnamese Oct 88 pp 30-33

[Article by Major General Le Thanh: "About Today's People's National Defense Education"]

[Text] In the light of the party's military line, Directive 107/CT-TU of the CPV Central Committee Secretariat dated 28 April 1981 defines the people's national defense education as "aimed at teaching the working people, particularly the young generation, the necessary military technical capabilities and standards to make them ready to fulfill their task of defending the fatherland and to strengthen the all-people national defense potential." The directive sets forth three goals for the national defense educational task:

—"To create a strong reserve force both having the capabilities to be ready for combat in local areas and quickly joining the regular Army whenever necessary.

—"To create favorable conditions for shortening the time to train new soldiers, ensuring more and more youths being able to fight right after joining the Army, and contributing to raising the quality and degree of combat readiness in the armed forces.

—"To contribute to providing teenagers and youths with revolutionary moral education, training reserve technical staffs and reserve officers for the armed forces, supplying the economic sectors with technical staffs, discovering and further training talented people, further developing the fine revolutionary traditions, and overcoming negative phenomena in the young generation."

Those are the basic and long-term goals that we must strive to achieve in national defense education. In the years ahead, this educational task must be concentrated on satisfying the following needs:

1. To make youths politically and spiritually ready at the time of their draft to fulfill the sacred obligation and noble right of citizens: "To fulfill the military obligation and to take part in the all-people national defense construction."

More specifically, to teach patriotism and the love for socialism along with the obligation to defend the socialist fatherland; to teach about the enemy's aggressive and destructive plots, and to heighten the spirit of vigilance; to teach the revolutionary, labor, and combat traditions of the CPV, the working people, and the people's armed forces along with the responsibility for continuing and further developing these traditions and protecting the already-obtained results; to propagandize the facts about the Indochinese countries along with proletarian internationalism and the special Vietnam-Laos-Cambodia friendship; and to teach about the tough, decisive, and complicated nature of the war for the defense of the fatherland.

An effective formula is to attract teenagers and youths toward practical and lively activities, both regular and unexpected, to suit the psychophysiological aspect of their age, and through such activities to teach the masses and to encourage the masses to teach themselves. In the present situation, we can and should:

—"Consolidate and develop the "Look for Red Addresses" and "Tran Quoc Toan" movements among the local youths of general school age;

—"Organize and encourage students, teenagers, and youths to take part in protecting historical and cultural relics, traditions offices, cemeteries reserved for dead heroes, and monuments in local areas;

—"Organize military operations and field trips (lasting just a full day) for students and youths to visit historical places and to see sights in other localities;

—Organize and encourage students to take part in collecting materials, witnesses, and evidences for compiling or completing the history of traditional activities of their units (schools) and localities;

—Organize activities (get-acquainted contests, debates, seminars, artistic festivals, sport competitions, and so on) of both educational and recreational values on important anniversaries.

2. To turn general military training a routine youth activity and to improve its quality.

To provide youths with general military training before and at the time they reach their draft age is an important task in the people's national defense education. This task has been turned into a regulation by Article 17 of the Military Obligation Law and by a decree of the Council of Ministers (on developing the youths' collective ownership right and assault role): "Youths must voluntarily serve as models in terms of fulfilling the military obligation. Before they join the armed forces, in addition to the task of doing productive labor or regular work, they must actively undergo military training in their organs, enterprises, or localities." For a long time we had training available for them, but training has not yet become a regular routine and its quality remains poor.

In order to overcome this situation general military training must be assigned to a body of well-trained military instructors having good background and having gone through advanced training themselves, and there must be equipment, machinery, and material resources suitable for the extent of the training.

In the socioeconomic situation that still encounters many difficulties as it exists today, there must be realistic steps taken in connection with the general military training to avoid waste, including the wasting of time. We need to renovate organization and training programs to suit our real capabilities and to obtain realistic results.

About the goals and requirements in the years ahead, general military training should be aimed at creating favorable conditions for youths to quickly adapt themselves to life and activities in the Army; providing training in technical capabilities and military knowledge to different youths as objects, such as general school, advanced school, and college students, thus reducing to a certain extent the time needed to train new soldiers after their draft; and equipping college (advanced school) students with some minimal knowledge about combining economic matters with national defense in building an all-people national defense.

About organization, we should study recommendations urging the Council of Ministers to issue legal documents in order to make Article 17 of the Military Obligation Law a part of the daily life, to make the general military

training programs for students really "belong to the main curriculum," and to allow the youths who do not go to school to undergo general military training before their draft.

About training programs, we should study adjusting them to make them more suitable for the training goals of various kinds of schools and their equipment and machinery capabilities, to ensure the material aspect of training, and to obtain realistic results from building "the behavior and way of life full of discipline, order, and culture" in the schools.

3. To develop various forms of national defense clubs.

Clubs with varied and attractive activities are the places that attract teenagers and youths, where they can have both recreation and learning. The fraternal socialist countries highly evaluate the role of clubs in the national defense education of teenagers and youths. The Polish National Defense League considers the network of reserve officers clubs its reliable support. These clubs actually not only provide reserve officers with advanced modern military knowledge but also make important contributions to teaching and training the youths before their joining the Army. The Cuban Patriotic Military Education Association organizes sports and military application clubs in villages, subwards, schools, enterprises, and so on, and links them with the basic-level organizations of the Communist Youth Union (a club director at the same time is a permanent member of the basic-level youth union executive committee). These clubs both have sport activities and provide patriotic and military education along with general military training.

In our country today there is a tendency to develop various forms of clubs, particularly in urban areas. In national defense education we should and need to exploit the educational capabilities of national defense clubs of various kinds. In the years ahead, we should give priority to developing clubs that have the characteristics of mass and sport organizations; require little or no initial capital investment; and can exist and grow through contributions of their own members, with the support or sponsorship of socioeconomic organizations, and by means of their own legal income.

In villages, subwards, and collective families' quarters, we can organize national defense clubs, or national defence sport clubs, or reserve officers clubs to attract teenagers and youths toward participating in training activities and the kinds of sport competitions that are close to military activities, such as strong soldiers' contests, national martial art, swimming (crossing rivers), rowing, cross-country footracing, military operations-camping (military operations-field trips), combined military maneuvers, military games, and so on, depending on the localities' actual conditions.

In districts, precincts, and cities, depending on the ability to coordinate the work of the sectors concerned, we can organize vocational and specialized clubs, such as Red Cross, "fire prevention and control," "blue light, red light," "bicycle-motorcycle" (to get advanced training, to exchange experiences, and to compete in traffic regulations and the technique and art of bicycle and motorcycle riding), shooting (poppuns, sport rifles, blank hand grenades), and "communications" (Morse code, semaphore, wired and wireless radio, and information dissemination) clubs.

In provinces and municipalities, we can organize "future officers" clubs (resolution of the HCMCYU Congress), "cars-tractors" clubs, "electricity-electronics" clubs, and so on.

Although the actual names and activities of these clubs may be different, the fact that the core of their activities is the same—to teach our youths national defense matters—explains why they bear the common name of national defense clubs.

Currently in Hanoi and Ho Chi Minh City there exists a form of national defense technical and sport clubs. They are the "aviation" clubs, in which there are two forms of sport and technical activities—parachuting and making airplane and rocket models. We must review their experience, look into the truth, and correctly evaluate their effectiveness and effects on the building of our air force. On this basis, we must determine the direction prescribed for these aviation clubs to make them suitable for the current situation and our capabilities.

4. To gradually "disseminate among our cadres and the people the necessary military knowledges and the measures to be taken for our self-protection, salvation, and passive defense when war breaks out."

In a future war, if the enemy starts a war of aggression against our country, there will appear various kinds of new weapons. Besides the kinds of improved conventional weapons that have a long firing range, great power, and a high degree of accuracy, the enemy can use various kinds of weapons to inflict large numbers of casualties, such as biological, chemical, and nuclear weapons.

In the multifaceted war of destruction being waged against our country, the enemy can use secret inflammables and explosives to destroy economic, cultural, social, and national defense targets, and biological weapons to spread diseases, to kill human beings and domestic animals, and to destroy trees and crops.

Consequently, in national defense education, we must coordinate and exploit the capabilities of the sectors concerned and popularize among cadres and the people the measures to be taken to prevent and control these weapons, particularly the kinds of weapons that the enemy can use in the multifaceted war of destruction.

The people's national defense education is an important part of a series of preparations aimed at making the country capable of resisting aggression. It is necessary for the country as a whole, as well as for each and every locality.

To carry out this task of strategic importance there must be coordination and unanimity among the sectors and mass organizations concerned under the leadership of party committee echelons and the unified management of administrations at all levels. That was the very reason why the Council of Ministers issued a decision (No 115/HDBT dated 21 October 1981) to set up a network of people's national defense education guidance committees at all levels. To perfect, consolidate, or designate anew these guidance committees and the latter's compact joint staffs is also one of the "things we need to do immediately" so as to further develop the people's national defense education in the coming years.

ECONOMIC

Deficiencies in Soviet Imports Noted
42090079a Hanoi KINH TE DOI NGOAI
in Vietnamese 5 Nov 88 p 2

[Article by Minh Tien: "Few Remarks About Quality of Imports From the Soviet Union"]

[Text] The Soviet Union, our greatest trading partner, supplies us with vital goods, including iron, steel, machinery, equipment, spare parts, gasoline, lubricants, and fertilizer and imports our rubber, coffee, tea, peanuts, soybeans, coconut oil, tin, light industry goods, and especially vegetables and fruits and tropical industrial products.

In recent years, quality control has enabled us to conclude that the quality of Soviet imports has improved and stabilized, with items meeting consumer needs and tastes and with machinery and spare parts measuring up to international quality standards and generating prestige in the world's commercial markets.

Below is a list of commodities with good and stable quality:

- Fertilizer: Our export-import business units require no quality control of most shipments of fertilizer, which is imported in large quantities, simply reweighing them at ports to determine the size of shipping losses.
- Gasoline: Most export-import business units request 100-percent quality control over each arrival. Results have shown that Soviet gasoline is good, relatively stable, and conform to contract or GOST stipulations.
- Soviet iron pyrite: Its claimed S content is usually below contract or GOST requirements; nevertheless, nearly all shipments were found to be within permissible limits.

—Some shipments of cotton flannel, grain, foodstuffs, pharmaceutical materials, pharmaceutical products, etc., did not meet contract or GOST terms. In general, however, their quality has considerably improved.

Due to "special" close relationships between the two countries, some goods failing to meet export criteria were shipped out, nevertheless, by the Soviet Union, including oil, lubricants, raw materials for contract production of hats, leather shoes, and soccer balls, and fabric and accessory materials for contract production of garments. A few examples can be cited, as follows:

—Lubricants: Each year, we import about 60,000 tons of Soviet lubricants. At the beginning of the year, our controllers detected a degree of dregs and impurities higher than was permitted by GOST. Testing on board of two ships—the K. Izotov arriving in Haiphong on 14 February 1988 and the I. Greev arriving in Qui Nhon on 5 March 1988—disclosed that lubricants were mixed with water and were emulsifying, and that even reference samples brought along by skippers were marred by emulsification.

—Raw materials for contract production of hats, leather shoes, and soccer balls: At the outset of the year, we imported a rather great quantity of raw materials for contract production of hats, leather shoes, and soccer balls for the Soviet Union. In terms of quality, many of these shipments were at variance with GOST 338-81; worse yet, we were compelled to lower grades on some of them; for instance, 14,432 cubic decimeters of a cargo weighing 6,051 kilograms aboard the Haiphong-bound ship Goncharov were subject to degradation. Other shipments could not be used; for instance, a 18,000-kilogram shipment carried by the ship Trush before being transferred to the ship Goncharov arriving in Haiphong by the end of 1987. Low-quality merchandise has given rise to conflicts between the Soviet side, which delivers raw materials and receives finished products and the Vietnamese side, which receives raw materials for contract production and delivers finished products.

Similar problems have affected raw materials for contract production of garments (fabric and accessory materials). Sometimes, they did not match contract or GOST stipulations—stained, miswoven, wet, mildewed, or damp fabric—resulting in lowering of grades; for instance, a shipment of 4.93 tons arriving in Saigon Port in December 1987 contained 11,147 meters of entirely discolored fabric, making stripes darker and lighter at will.

A factory causing quality deterioration is improper shipping, especially rough handling of metals and foodstuffs during loading, unloading, and packing. For instance, a shipment of 202.176 tons of detergent powder arriving at Saigon Port in October 1987 included three broken containers. As a result, 460.8 kilograms were soaked with water, causing a 50 percent loss in commercial value to

half the boxes and an 80 percent loss to 1,516.8 kilograms going through denaturation and solidification because of heavy damage by water.

To overcome the above situation, the Soviet state has set up a quality control committee operating in extreme strictness to prevent low-quality goods from being exported, so as to maintain customer confidence and make Soviet products more competitive in world commercial markets. It is also high time we improved quality management and control of our exports.

Danish Reporter Views Country's 'New Business Class'

36130024 Copenhagen WEEKENDAVISEN in Danish
18 Nov 88 p 11

[Article by Tine Eiby: "Vietnam's New Business Class"]

[Text] The Private Individuals

Consumer taxation is one of the means being used in Vietnam to shore up the country's ailing economy—and to take advantage of the prosperity of the new class of private businessmen.

Saigon—The proprietress herself receives us and hurries to close the door out to the street. The dust, noise and the thousands of cyclists that characterize the street scene here in Saigon are gone. Officially, they say Ho Chi Minh City since the fall of the Saigon government and the Vietnamese Communist Party's takeover of power in 1975, but it ordinarily still continues to be called Saigon.

The proprietress is a very remarkable lady to look at. A modern, short coiffure, bold makeup and clothes bearing Western labels. With a grandiose gesture, Madame Trinh Chi Kim Yen welcomes us to one of Saigon's three private maternity homes.

Inside, there is a crowd of women with abdomens of all sizes. Some of them are already gasping uneasily in the first pains of labor, while others sit nicely and wait to get in for one of the monthly consultations with the doctor—the city's famous obstetrician.

Pictures of plump, pink babies are hanging on the walls. There is an odor here of incense and hot, soapy water, and a little old woman of Chinese descent is sitting in the middle of the floor, sorting clean laundry. Brittle cries of children can be heard from the adjacent rooms, and relatives can refresh themselves with freshly-squeezed lime juice in the kitchen.

Yes, being an obstetrician is an active business. "This is the best thing one can specialize in if one wants to earn money as a doctor in Vietnam," the doctor says, grinning between two patients. But he must also work hard for his money, for, like all other doctors, he must take his turn every day, from 0700 to 1600 hours, at a hospital for a wage that only just supports a modest existence. He earns

twice that much in the course of four hours of evening work at the private clinic. That is an everyday procedure for most of the doctors in present-day Vietnam.

A consultation costs the same as a kilogram of rice. All prices are calculated that way because of the prevailing galloping inflation, and the price for the delivery of a child is the equivalent of a doctor's pay for three months at present.

Who are the patients? "I am a housewife, and my husband is a businessman," says one of the waiting women. "Salesmen, salesman, salesmen," adds the proprietress. It is the "private individuals" who constitute the nucleus of her clientele.

A Breaking of the Government Monopoly

"The private individuals"—they are the people who earn their money as independent businessmen—a new class in Vietnam. That is, there has always been a tradition of a lively private market here in the southern part of the country. After the Viet Cong's victory in 1975 and the reunification with North Vietnam, the government took over all ownership, in principle.

But some free trade continued on the black market, and since the middle of the 1980s the local authorities in South Vietnam have faced the consequences and approved private businesses with 10 and 15 employees. Not until quite recently has the green light for entirely free trade and production within more precisely defined limits been turned on from official quarters—that is, the central government in Hanoi. Even the political cadres now have permission to earn profits in private businesses with up to 30 subordinates.

The official starting signal for the reforms was given by the Communist Party's 6th Congress in December 1986, where a new general secretary, Nguyen Van Linh—also called "little Gorbachev"—came to power.

Nguyen Van Linh himself spent most of his life in South Vietnam and is one of the driving forces behind the liberalizations there. Throughout history, the southern part of the country has often been described as Vietnam's "wild west"—a country where having a thought is followed very quickly by the taking of action and a land where they never save up for the next day and where decadence flourishes—at least as seen by North Vietnam, where Confucius' teachings about virtue, duty and respect for the authorities still are strongly rooted.

"Just after the Party Congress, the reform process moved very slowly, but a couple of months ago that development really took on speed, and now something new happens every day," says one of Saigon's leading private businessmen, Le Cong Thanh, who puffs enthusiastically at his hookah while the interpreter translates.

"Yesterday we got permission to carry on direct import-export negotiations with foreign countries. That is the first time the government's monopoly has been broken," he continues, and looks over at his staff of advisers, who snicker delightedly every time he says something controversial. The panel of advisers includes, among others, a representative of the overthrown Saigon regime, a 67-year-old man who now has found his first job since being dismissed in 1975.

Le Cong Thanh was threatened with arrest six years ago because he was running a private business. Today he has over 100 employees and runs one of the businesses that General Secretary Nguyen Van Linh has honored with a personal visit.

Recognition of private enterprise is linked with the country's low productivity and its seriously ailing economy, and, parallel with the liberalization, the government is introducing consumer taxes in many areas. Again it is Saigon, which has started various experiments, and the south is not called "Vietnam's laboratory" without reason.

In two of Saigon's hospital departments, they have tried consumer taxation for better service in some of the sections since early summer—for example, in the gynecological and obstetric hospital, where paying patients can get permission to occupy two-bed rooms. Cancer patients need never pay, on principle, but, in return, they must be bedded in wards with 15 other people and in odd places—even sharing a bed with another patient. Now that hospital's results are being submitted to the National Assembly in Hanoi. In schools and universities, too, taxation arrangements are being introduced, with Saigon as the pioneer.

"Basically, we anticipate that it will be the 'private individuals' who are going to be paying," says the female head physician of the hospital where they have introduced consumer taxation. At the same time, that is one of the few population groups that pays taxes in Vietnam. The greater part of the population live in something like a symbiosis with the government. Every month they get a quite modest wage, regardless of the work they perform, but in return they are given living quarters available to the government, free of charge.

A dividing of society into a prosperous private sector and a poor public sector seems to be in the process of development, and prominent Vietnamese reformists are now talking about the need to reduce the public sector and give ownership back to the people.

"Now the soil must be given back to the farmers. They will not ask for collectivizations themselves," says one of the veterans in the Vietnamese Communist Party, the former party secretary in Saigon, Tran Bach Dang, who also has played a significant role as an economic consultant for the Politburo.

He is referring to the collectivization of agriculture, which was carried out in South Vietnam with North Vietnam as a model and under compulsion to a great extent. There never was any success among the farmers in the Mekong Delta. Many of them simply refused, and in places where collectivization was successful, productivity declined.

Since the 6th Party Congress, farmers throughout the entire country are being offered an arrangement under which, in principle, they simply enter into a contract with the cooperative to deliver a specific percentage of their crop. In reality, however, they continue to live as tenants in many places. Or, as Tran Bach Dang puts it:

Formerly, the landowners got 30 percent and the farmers themselves got 70 percent. In North Vietnam it is the case in more and more places that the farmers must deliver up to 85 percent to the state.

"We have gone directly over from feudalism to attempting to base a socialist society on fear of capitalism. But we misunderstood the road to socialism. There is only one path, and it goes by way of capitalistic production."

HCM City Needs Association of Industrialists
42090086 Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 12 Nov 88 p 2

[Article by Kim Thach of the Municipal Industry-Commerce Liaison Committee: "Need for Establishment of a Municipal Association of Industrialists"]

[Text] Prior to the liberation of Saigon, the economic center of the South under the old regime, there had been as many as 5,000 industrialists working in 57 different lines of production, according to statistics, and they were members of an organization called Vietnam Confederation of Industries, established in 1957. Beside a few bourgeois compradores colluding with the aggressive colonial force to control the important economic sectors, the majority of the Saigon industrialists had been national bourgeois and small owners having been able to establish for the first time a developed industrial production and to build a network of small industrial and handicraft production consisting of many various occupations. Most consumer goods made in the Saigon-Cho Lon firms and factories had been sent to Binh Tay Market (also called new Cho Lon), the municipality's commercial center and major wholesale market, for distribution in all provinces and towns all over the country and for export to Cambodia, Laos, Thailand, and Singapore.

Beside the Association of Owners, an organization under the old regime that had protected the owners' special privileges, the Confederation of Industries had been a professional organization providing industrialists with favorable conditions for successful production and business in their occupation. One of the strong assets of the confederation under the old regime had been the center

of industrial supplies (CADIA), established and operated by the confederation itself and specialized in importing and distributing materials, equipment, and spare parts among small industrial and handicraft producers, who had not been allowed to do any importing, as well as in exporting small industrial and handicraft products to other countries. In addition, the confederation had been assigned by the Ministry of Economic Affairs under the old regime to distribute by quota to the industrialists a number of strategic raw materials (like wheat flour produced by two companies, Sakybomi and Viflomico). It was those economic and professional relationships that had been linking the industrialists with the confederation, a fact that also had been one of the latter's goals. However, like any other organizations of the capitalist economy, the confederation had been led by a small number of powerful people who had been controlling all of its operations in order to serve the interests of their own group.

In the national liberation revolution led by the party, the class of national bourgeois and small owners throughout the country had made specific contributions, with many industrialists in Saigon having secretly taken part in the activities of the revolutionary organizations through the two wars of resistance against the French and the Americans. Some of them had been arrested and put in jail by the enemy; others had left the municipality to take a direct part in the resistance in the war zone. The contributions of the patriotic bourgeois and small owners to the resistance had been fully recognized and appropriately rewarded by our party and state.

In spite of the fact that in the national liberation revolution the patriotic bourgeois people had been considered part of the revolution's mass force, in the socialist revolution, with the wrong dogmatic concepts and reform policies that were applied in the last 12 years, the national bourgeois were considered the subjects to be reeducated by coercive means. The formula of "Reforms must go hand in hand with building, which is considered the main interest, and their purpose is to use" was not reflected in correct positions and policies. The bourgeois people who worked with the state in joint state-private enterprises found that the assessment of their properties had been too low and that the monthly installment payments they were receiving for the sale of their properties to the state were practically valueless. Those former owners had to rely on wages if they took part in the management of such enterprises. Some people were not used, after their properties had automatically become the state's. What was even worse was that many factories and enterprises of those former owners quickly deteriorated after they had become state-operated enterprises, with production becoming ineffective or being stopped.

This municipality has been fortunate to have so far maintained an organization that unites the bourgeois who have undergone good reeducation in the so-called Association of Industrialists and Merchants, which is

subordinate to the Municipal Industry-Commerce Liaison Committee, a member organization in the Fatherland Front. Although they are assembled only to work together and to take part in the revolutionary action movements, in more than 12 years the industrialists have made considerable contributions to the municipality's socioeconomic development, just as the Industry-Commerce Liaison Committee has made an active contribution to the socialist transformation and construction in accordance with the positions and policies of the party and state, and has built some good transformation models that have remained useful until today. A number of bourgeois people have become directors and deputy directors of state and joint state-private enterprises who have made their names known and have made achievements in production and business; many industrialists have become outstanding cooperative directors and active and creative production team leaders.

The 6th Party Congress has pointed out a correct direction for our country's socialist revolution to take, after it evaluated the results obtained and mostly the mistakes made in the recent past. Under the conditions of the country as a whole going to socialism from a small-scale production, poverty, and backwardness and without going through the stage of capitalist development, we must absolutely develop an economy of many components in the entire period of transition and mobilize the strength of the people from all social strata in various forms for the sake of production. That is the party's economic strategy as affirmed in the 6th Party Congress resolution. On the basis of this realistic argument, the national bourgeois remain the mass object of the revolutionary campaign to move toward socialism. And the national bourgeois are members of the Fatherland Front as affirmed in the Political Bureau's Resolution 16.

Resolution 16 of the Political Bureau affirms the role of the national bourgeois and determines that the position they are to occupy will be in an organization to be called Association of Industrialists, to consist of the national bourgeois, small owners, and great producers and businessmen, and to be established in all industrial centers, first in Ho Chi Minh City and the capital city of Hanoi. This reflects the correct leadership concept of the Political Bureau, as well as the leadership expressed by the secretary of the Ho Chi Minh City Municipal CPV Committee at a meeting at the beginning of 1988 with the industrialists in the office of the Industry-Commerce Liaison Committee.

Responding to the appeal by the municipal party secretary, a number of bourgeois and small owners recently have drafted investment projects, have applied for establishing new private enterprises and corporations, and have submitted plans for reorganizing production in the joint state-private enterprises that either have stopped operating or have been operating without good results. We can mention some typical investment projects that have been or are being considered for approval as

follows: the project for restoring the Thanh Da Machine Enterprise of Mr Vo Hong Nho, a well-known patriotic bourgeois who has been accepted by the Municipal People's Committee to establish a joint enterprise with the municipality's Technical Equipment Development Corporation; the project for restoring the Sogeci Buttons Manufacturing Enterprise of Mr Au Quang Canh, a businessman well known in the preliberation period; the project for establishing a private corporation to make acetic acid as submitted by Mr Nguyen An Thinh; and the project for organizing a private enterprise to make fish sauce as submitted by Mr Nguyen Van Khanh. These are the new investment projects that promise to bring about good economic results. A few other projects for reorganizing production in some joint state-private enterprises now encounter some problems on the part of the managing units; efforts are being made to speed up their consideration so as to arrive early at the best decisions about them. The industrialists hope that the Municipal People's Committee would soon decide to allow the establishment of many more private enterprises, private corporations, and joint state-private enterprises in conformity with the new regulations and in the spirit of Decree 27 of the Council of Ministers and Resolution 16 of the Political Bureau."

A Municipal Association of Industrialists will be the place to assemble a large number of national bourgeois, small owners, producers and businessmen, and economic and technical specialists who are now active in production in the state and joint capitalist economic sectors, as well as in other economic sectors. The association will be an organization that mobilizes and guides industrialists toward drafting and carrying out production development projects in accordance with the positions and policies of the state, as well as serves as a means to get in touch with and to urge the Vietnamese abroad and foreign capitalists to invest in Vietnam. It will also be an organization that protects the legitimate interests of industrialists in accordance with the state laws and also an organization that promotes solidarity, mutual help, exchanges, and assistance in terms of occupational and daily life needs and encourages improvement of all kinds for its members.

The industrialists in the municipality have offered their opinions and have contributed to drafting a statute for an association of the municipality's industrialists, and a mobilization committee is about to be set up to make the necessary preparations for quickly moving toward a congress, which will be convened in the last months of 1988.

The birth of the Municipal Association of Industrialists under such circumstances clearly is a necessary requirement to satisfy the aspirations of industrialists, as well as the wishes of the party and state, and to contribute to successfully achieving the country's renovating task.

Oil, Gas in the Vietnamese Economy
42090084B Hanoi KINH TE DOI NGOAI
[EXTERNAL ECONOMY] in Vietnamese
25 Oct 88 pp 5, 8

[Article by Thanh Hai: "Oil and Gas in the Vietnamese Economy"]

[Text] A considerable number of people have always taken the view that with our good land and weather conditions, we were only capable of increasing the export of rice, jute, peanuts, etc., and few people have thought about the potential of minerals in the ground or under the continental shelf, especially oil and gas. Only after June 1986, when the first drill bit drilled down into the Bach Ho field and streams of oil gushed out, did we truly believe that the dream that our gas and oil potential would contribute to improving the nation's economy and increase our export earnings had become a reality.

In the past, the industrial sector exploiting Vietnam's oil and gas carried out exploratory drilling in many different areas, but the amount of oil produced was insignificant. In fact, the prospects for oil fields on the mainland are poor. As for the potential of the off-shore oil fields, according to the Mobil/Kaiyo Corporation, the first corporation to drill for oil in the Bach Ho oil field, only they are worthy of optimism and are promising. However, in comparison to the countries which produce large quantities of oil, such as the United States, the Soviet Union, Saudi Arabia, Kuwait, etc., and such countries in the Southeast Asia region as China, Indonesia, Malaysia, etc., our oil and gas industry is very young. We are greatly in need of foreign assistance with regard to capital, technology, raw materials and materials, and equipment. The formation of the Viet-Soviet Joint Gas and Oil Enterprise (Vietsopetro) met those urgent requirements.

Formed in 1981 by the contribution by both sides of capital and personnel, the Viet-Soviet Joint Gas and Oil Enterprise is a model of fraternal economic and scientific-technical cooperation between two countries. Vietnam contributes in the form of contributing on-the-spot capital to reduce the amount borrowed (by using Vietnamese money to provide services and materials for the existing installations and for new construction, and in part by borrowing transferrable rubles and foreign exchange rubles). A large quantity of equipment and materials for the drilling platforms and for the sites on land, facilities for surveying, designing, scientific research, and geophysical and site geological surveying, construction contracting, the renting and purchasing of floating facilities, and technicians, were brought into the joint enterprise via the Vietnam Oil and Gas Equipment and Technical Facilities Import Corporation (Petechim). Every year about 100 million rubles (in one year, 200 million rubles) worth of such items—primarily equipment and materials (80 to 90 million rubles, 60 percent of the total value of imports from the Soviet Union)—is imported from the Soviet Union. During the 1981-1988

period the value of imports from the Soviet Union accounted for 79 percent of the value of imports by Petechim for the joint enterprise. Imports from the capitalist countries, primarily vessels and floating facilities, amount to about 20 to 40 million U.S. dollars (in one year, to more than 60 million). The total value of imports amounts to about 100 to 150 million rubles/dollars per year.

The results of the prompt supplying of all kinds of equipment and materials to the joint enterprise increased the rate of oil drilling in the Bach Ho field. In June 1986 the production of oil began in that area, at a rate of 800 barrels a day. At the beginning of 1987 the output increased to 5,000 barrels a day. To us, those figures are truly encouraging. Although there is no accurate data regarding oil reserves, and although there are still many difficulties regarding the geological structure of the oil field, the prospects for producing oil in the Bach Ho oil field are very promising.

In order to satisfy our domestic needs, every year we have had to import a large quantity of petroleum products, primarily from the Soviet Union. When we produce oil, we will not only be able to reduce imports but will bring in additional foreign exchange through the export of oil. In March 1987 the first shipment of oil was exported from the Bach Ho field. Since then, such exports have been carried out on a regular basis. It is encouraging that our oil is of relatively good quality, meets international standards (equivalent to the Minas 33 API oil of Indonesia), and is preferred by customers. The oil has a high content of paraffin, which may be separated directly and used immediately, without requiring processing. At present, because production is still small we still sell crude oil at the price of equivalent types of oil on the world market, minus a discount. For the future, another form of export which is receiving consideration is having refineries in nearby countries which have good technology refine the oil, receiving petroleum products in return, and paying for the refining with money or products. However, that is dependent on calculating reserves and capabilities regarding capital, and on selecting modes for selling oil and dividing products that are appropriate to the present conditions.

Our country's circumstances do not yet allow us to develop rapidly and along the same path taken by the oil-producing countries. Exploring and resurveying while also producing and exporting is a distinctive feature of Vietnam's oil and gas industry. In all countries, the exporting of oil has always been a very complicated commercial sector. Furthermore, backward technology and equipment and the inability of our ports and oil fields to meet international standards with regard to handling large ships have caused considerable losses. Our oil exporting is related to such specific technical matters as the time necessary for a ship to anchor and take on oil, the direction of anchorage, the conditions of oil sales, etc., which are very complicated matters that are related to the weather at sea, the training of a corps of

expert cadres, international navigation, the market situation, and the selection of a mode of selling that guarantees economic effectiveness.

Our greatest difficulty in exporting oil at present is that the volume is not large, which has resulted in a whole series of difficulties regarding transportation and processing. Our drilling facilities and equipment are backward and there are no storage facilities on the mainland (oil must be stored in tankers off-shore), so exporting is restricted with regard to time. Other difficulties that are also worrisome are that weather conditions at sea are severe and our pumping, preliminary processing, and storage facilities are still very limited, so we cannot avoid disadvantages imposed by customers in the process of negotiation and trade.

At present, the problem that is posed is how to create a rational ratio between the exporting of crude oil and the importing of finished petroleum products. A feasibility study regarding the construction of an oil refinery in Ho Chi Minh City is underway. In the future, because of the structure of our oil needs, of which fuel oil accounts for more than one-third, we must continue to import petroleum products from abroad in order to have a domestic structure that is balanced with regard to products. However, with oil resources in our country we will have conditions for increasing income in order to improve the economy, reduce dependency on the outside, and gradually advance the nation.

Council of Ministers Regulation on Individual Economy

42090101 Hanoi NHAN DAN in Vietnamese
29 Nov 88 pp 2, 4

[Council of Ministers Regulation on Policy Towards Individual Economic Holdings, Privately Operated Enterprises in Agriculture, Forestry and Fishing]

[Text] Part I

General Regulations

Article 1: The state acknowledges the existence and positive effect of individual economy and privately operated enterprise in agriculture (comprising also forestry and fishing) in the process of building socialism in our country; and encourages these economic elements to invest their capital, labor strength, technology and management capabilities in strong development of agriculture, forestry and fishing to assist in building the nation.

The state creates favorable conditions for these economic elements to develop production and business in the fields of farming, stock raising, afforestation, lumbering, raising and exploitation of marine products, processing of agricultural, forestry and marine products, agricultural service business and expansion of trades without limitation as to business size (individual families and privately operated enterprises engaged in small

industry and handicrafts, processing of agricultural, forestry and marine products, and production service implementing the policies and regulations in Resolution 16 of the Political Bureau and Decree 27, 9 March 1988, of the Council of Ministers).

The state acknowledges and safeguards the rights of ownership, inheritance, product sales and legitimate income of families engaged in individual economy and privately operated enterprises, and recognizes their equal judicial status and legal position before the law. The social benefits of those engaged in individual economy and privately operated enterprises and their children are protected by the law.

Article 2: Families engaged in individual economy and privately operated enterprises in agriculture, forestry and fishing with ownership of production materials, capital and technology will be permitted by the state to use land in accordance with the Land Law to organize business production. These economic units may be organized under the following forms:

—As an individual economy family engaged in agriculture, forestry or raising of marine products with the self-organization of business production and possible hiring of additional seasonal labor.

With production materials, capital and technology owned by the individual assuming the business.

After completing its tax obligations to the state, remaining income belongs to the family engaged in individual economy.

—As a privately operated enterprise, a business unit in which one or many individual families join in contributing production materials, capital and technology to organize business production under many forms such as privately operated enterprises or corporations of unlimited size.

These enterprises may hire labor (including professional and technical labor) in accordance with their own business production development requirements, or award contracts to other units to engage in business.

After completing tax obligations to the state, remaining income belongs to the enterprise.

Article 3: Chiefs of individual economy families and privately operated enterprises must strictly execute the law and state policies, and fully comply with tax obligations and payments to the general social fund, the accounting and statistics law, and the laws on hiring labor, protecting the forests and land, protecting the environment, and signed economic contracts.

Article 4: Privately operated enterprises must register their business before receiving permission to operate and must operate in the trades they have registered; simultaneously may organize consolidated business to develop every production capability and create many products for society; and when changes are necessary, must request a readjustment of the business registration. The issuance of business registrations is examined and decided by provincial and municipal people's committees.

Article 5: Local governments at all levels have a mission of supervising these units in proper compliance with the law and regulations of the state, but are not permitted to interfere with or create obstacles for legal production and business activities, or to impose additional fees in excess of those stipulated by the state.

Part II

Policies on Land, Water Surface, Materials, Product Distribution, Finance and Credit

Article 6: Every Vietnamese citizen with labor strength, production materials, investment capital and technology has the right to apply to and be examined by the state for assigned use of a definite area of land or water surface (generally called land) for the organization of business production.

- Those with requirements must submit suggestions to the people's committees at levels with authority to make examinations in accordance with the Land Law.
- Based on the specific land conditions of the local area, the people's committees with Land Law examination authority will conduct an examination, make a determination and issue a land use certificate in accordance with the principle of:

For vacant land and bare hills and mountains used for reforestation and long-term crops, the state will assign each individual economy family and privately operated enterprise an unlimited area depending on their capabilities of use; the period of assigned use will be for a stable period of at least 30 to 50 years and when that period ends, a reexamination may be conducted to extend the period.

Land for the raising of short-term industrial crops and special product crops or grain and food production (including bare hills if any), for gardens and terraced fields, and for stock raising and the raising of marine products will be assigned for a stable period of about 15 years.

Regarding natural forests, depending on the specific conditions of each location and the current situation of the forest, the state will assign these economic elements to organize business production, care and protection under many different forms of contracts, bids, etc., on the basis of defining an initial forest value agreed upon

by both parties. The individual acquiring the forest is responsible for the continuous increase and structural improvement of all species of trees in that original forest.

Regarding large water surface area suitable for raising marine products, the state will arrange for assignment of contracts or bids to individual economy families or privately operated business production enterprises.

Individual economy families and privately operated enterprises may purchase material and technical facilities or contract part of or an entire state operated farm, forest or fishing enterprise when that enterprise partially or totally dissolves.

Article 7: Individual economy families and privately operated enterprises receiving land, forest or water surface for business production are obligated to:

Place the entire area in reasonable business production, regularly protect and increase the fertility of the land, enrich forest assets, and fully comply with the regulations of the Land Law and the regulations of specialized sectors.

Individual economy families and privately operated enterprises using land and water surface contrary to the use objective or failing to begin production for 6 months (without a legitimate reason) will have the property reclaimed and simultaneously must compensate for any damages and be fined for not respecting the pledges made upon receiving that land or water surface.

On the assigned land or water surface, individual economy families and privately operated enterprises are authorized to self-organize business production along a defined course; have the right to use the land in accordance with the Land Law; and may sell long-term crops and production business support projects constructed on that land when no longer engaged in business or when transferring to other work, and the individual acquiring the land to continue business must settle all accounts for the former business owner.

Under circumstances in which requirements exist for reclaiming the land before the contract expires, the state or new user is responsible for satisfactorily compensating the businessman for the value of the remaining unharvested crops and livestock, and for the expenses involved in constructing material facilities on that land in accordance with the overall policy of the state.

Article 8: Individual economy families and privately operated enterprises are authorized to coordinate in or self-organize the exploitation of supplies, raw materials, fuel, etc. to support production, in accordance with state law.

The state encourages and creates favorable conditions for individual economy families and privately operated enterprises to exploit and fully utilize domestic supplies, raw materials and fuel, considering this a primary course for developing agricultural business production.

The state reserves a portion of materials and machinery for sale at a business price or will sign economic contracts for the sale of materials and purchase of products with these economic units on the principle of mutual concurrence, equality and benefit.

Individual economic families and privately operated enterprises are authorized the retail purchase of materials and equipment on the market, from state stores or from other economic units; may form a trade association or joint enterprise with state-operated or collective units to develop production, or to do contract work for those economic organizations; and are authorized to use their own independently acquired capital, foreign exchange or gold to import equipment, supplies and raw materials to support production. In the receipt of materials, equipment and foreign currency from individuals in foreign countries, no limitation exists as to the amount or number of times sent, and preferential tax treatment will be enjoyed in accordance with state regulations.

Article 9: Individual economy families and privately operated enterprises have the right to distribute products according to contracts with state-operated and collective organizations or may organize distribution themselves.

Article 10: The state encourages individual economy families and privately operated enterprises to develop the production of export commodities.

Individual economy families and privately operated enterprises may sign contracts with domestic export organizations to sell export products or choose export-import business organizations of the state to export their products or import materials according to conditions agreed upon in the economic contract and may enjoy the right to use foreign exchange according to the state system.

Article 11: The state encourages individual economy families and privately operated enterprises to invest capital, materials and labor in production development.

If their independently acquired capital is insufficient for business production development, individual economy families and privately operated enterprises may borrow capital from the state bank. Privately operated enterprises are permitted to appeal for shareholders or capital from economic units and individuals within the country; and to borrow money from individuals in foreign countries through the foreign trade bank in order to develop production and business. They may repay these loans in foreign exchange they are authorized to use or in commodities they are allowed to export.

Individual economy families and privately operated enterprises may choose their own bank for opening an account.

Article 12: Individual economy families and privately operated enterprises engaged in agriculture, forestry and fishing are obligated to pay various kinds of legally stipulated taxes.

These units, when engaged in trades or services other than agriculture, must pay taxes in accordance with the specific policies and regulations of that business production field.

Enterprises that are dissolved, transferred or have their assets sold must first of all pay their bank debts and state shortages if any.

Article 13: Individual economy families and privately operated enterprises in agriculture are authorized to coordinate and form trade associations with scientific research agencies, colleges and middle schools under many forms in order to swiftly introduce scientific and technical advances to business production on the basis of bilateral contracts between the two parties; and are permitted to purchase new production techniques and technical equipment to support business production.

Article 14: The state encourages individual economy families and privately operated enterprises in agriculture to study, seek out and renovate production techniques, improve and raise product quality, etc. These discoveries and innovations, if registered with the responsible state agency, will be copyrighted and rewarded by the state in accordance with general provisions. The state will promulgate policies for rewarding farm families and laborers with many innovations and outstanding operations in agricultural production.

College and vocational middle school graduates and technical workers are encouraged to work in privately operated enterprises and may still receive advanced training to raise their standards in accordance with the general system of the state.

Article 15: Labor hiring must be on the basis of contracts between the owner and the hired laborer and comply with the articles of the labor laws.

Hired laborers and the hiring owner are obligated to fully implement the articles and stipulations in the contract with any violators prosecuted in accordance with the economic contract law of the state.

Part III contains articles of implementation, stating that:

This regulation will be implemented in a unified manner throughout the country. Any previous regulation that is contrary to this one is rescinded.

Da Lat Nuclear Reactor Achieving Positive Results

42090085b Hanoi NHAN DAN in Vietnamese
16 Nov 88 p 3

[Article by Quang Binh: "Da Lat Nuclear Research Institute Uses Nuclear Energy To Serve Industrial, Agricultural, Public Health Sectors"]

[Text] Since its restoration and return to activity in 1984, the Da Lat nuclear reactor has operated safely for more than 5,900 hours to produce approximately 110 curies of radioisotopes to serve the fields of industry, agriculture and public health. At the same time, the institute has analyzed more than 20,000 samples by the neutron activation method, conducted delayed neutron measurements, etc., attaining a sensitivity of from one part per million to one part per 10 million G/G; with 70 percent of the analytical samples to support the search for mineral ore in the geologic sector and the remaining samples supporting environmental research (earth, water and atmosphere), medical science and industry. The institute has constructed three automatic analytic production lines capable of producing 10 million samples annually.

The Da Lat Nuclear Research Institute has recently concentrated efforts on effective research in the application of atomic energy to support production in the construction and industrial sectors, namely: applying the technique of non-destructive inspection to inspect boilers and construction projects; the inspection of rolled steel degree and liquid measurement. The institute has joined the Ho Chi Minh City Nuclear Technology Center to manufacture gamma detectors for use in the technique of non-destructive inspection and has assisted the Dien Quang Electric Light Bulb Factory in research on a system for ion water filtration, washing glass tubes and raising bulb clarity.

For the agricultural sector, the institute has applied atomic energy to a technique of irradiation to analyze trace elements in livestock feed and farming soil. In the public health field, the institute has produced and supplied radioisotopes for medical treatment. Recently, institute scientific and technical cadres conducted research and produced a Technesi-99M radioactive isotope following new techniques. These techniques have permitted the manufacture of a good quality Technesi-99M isotope producer for use in diagnosis at the Cho Ray Hospital (in Ho Chi Minh City). In addition, the institute has applied a technique of irradiation to sterilize millions of public health instruments.

Foreign Trade Bank Renovates Operations

42090085a Hanoi NHAN DAN in Vietnamese
16 Nov 88 p 2

[Article by Nguyen Duy Lo, Assistant General Director of the Vietnam Foreign Trade Bank: "Foreign Trade Bank Renovates Business Operations Mechanism"]

[Text] In conjunction with the movement of the banking system in our country to gradually implement a socialist

business accounting mechanism truly in the spirit of party resolutions, the Vietnam Foreign Trade Bank continues to exist as a bank specializing in credit, foreign exchange, and other foreign banking services for our country.

On 1 November 1988, the Foreign Trade Bank began issuing daily announcements on the exchange rates for freely convertible foreign currency. These rates are set consistent with the situation of the international monetary market and closely rely on the actual prices in the social market of our country. Forcibly implemented and unrealistic rates described as "buying like stealing and selling like giving away" no longer exist.

To the customer with freely convertible foreign currency to sell the bank in exchange for Vietnamese currency in accordance with the "purchase rate" noted above, there is no differentiation as to whether he is native or foreign, an agency, organization or individual, or engaged "trade" or "non-trade" service nor as to whatever the origin of the foreign currency.

As the foreign exchange fund center of the entire country, the Vietnam Foreign Trade Bank has a mission of storing and demonstratively managing every source of foreign exchange available in our country.

To this time, a clear distinction between state and business foreign exchange funds has been defined. State foreign exchange funds are formed from sources of export and foreign service receipts in accordance with the state plan or through obligated sales to the state by sectors and local areas. These funds are handled by the Ministry of Finance on behalf of the state. The Foreign Trade Bank implements a plan of foreign exchange receipts and expenditures in respect to the funds and of demonstratively managing the foreign exchange capital of the state, a special customer.

Business foreign exchange, no matter what the source, receives the highest attention and concern. It is also here that bankruptcy can occur. These funds are formed from sources of independently acquired capital, were allowed in 1988 to begin accumulating from foreign exchange interest, continue to gradually increase each year, and also originate from sources of capital collected from customers both inside and outside the country. Finally, they are beginning to be a source of foreign exchange for repurchase by customers at the business rate.

Because the nature of sources of foreign exchange capital formed during the business activities of the Vietnam Foreign Trade Bank is different, the handling of foreign exchange business during the next few years will still be primarily by sources of collected capital and by attention to the use of this capital through expansion of foreign exchange investment in domestic economic organizations aimed at a foreign exchange re-creation objective.

The above mentioned outright sale of foreign exchange to customers at the business rate clearly still has many limitations.

The basic theme of renovating the bank credit mechanism is in eliminating state subsidization while maintaining a close relationship with the return of credit operations to the original principle that loans must originate from the capability of the capital source.

In business activities dealing with credit, the Vietnam Foreign Trade Bank continues to simultaneously maintain and develop three forms of credit: liquid and fixed asset credit (intensive investment) to export-import business and foreign service organizations; credit in free foreign exchange and transferable rubles to promote export to the socialist foreign market and to expand cooperative production and processing relations with the Soviet Union and other nations of the Council for Mutual Economic Assistance; and contribution by joint business organizations of investment capital (in Vietnamese or foreign currency) to a number of central and local economic sectors, in substance a type of credit business by a new formula aimed at stimulating achievement of the export economic program.

For the credit business in three forms to develop as noted above, the Vietnam Foreign Trade Bank has clearly defined the foremost mission in capital source work as promoting the collection of capital from customers inside and outside the country. Emphasis is given the study of experience of fraternal banks in order to formulate new policies and methods aimed at diversifying forms of capital collection by the Vietnam Foreign Trade Bank in the international credit monetary market and the social market of our country. Besides the capital deposits of customers and patrons, regular account relations with the following methods of mobilizing and attracting capital are urgently prepared as an incentive: encouraging savings by the people in Vietnamese currency in accordance with general policy; issuing limited-term deposit certificates in foreign or Vietnamese currency; expanding the form of foreign exchange deposit accounts to every Vietnamese prospect, organization and citizen, in accordance with the (new) foreign exchange management statutes; issuing coupons in U.S. dollars to every prospective customer inside and outside the country; by several methods of collecting funds, including the collection of gold and Vietnamese currency; and by intensifying credit borrowing from other banks while simultaneously and actively guaranteeing the commercial credit of domestic foreign trade organizations and enterprises to join in creating production and business capital.

Concerning the foreign exchange deposits authorized for use by sectors, local areas and primary level economic organizations, depending upon the requirements of the

account holder, foreign trade banks at all levels are prepared to assist in opening accounts in original currency or U.S. dollars through the mechanism of business exchange rates following the international monetary market. The previous opening of deposit accounts marked "authorized to use foreign exchange" is cancelled. (Any unit requiring that it be continued will still be served by the bank). All types of foreign exchange deposit accounts with durations of 1 month or more will have interest in foreign exchange promptly figured; closely following the foreign trade bank interest rate of deposits in foreign countries. The foreign exchange capital of units deposited in the bank may be used only to repay foreign countries or for transfer to a settlement account within the country; the account holder must only clearly record the theme or reason for the disbursement with no demand for providing a certificate of approval from a higher level authority or a marketing contract proving the disbursement. Also through account transfers in foreign trade banks at all levels, account holders may transfer to or allow another economic organization within the country to borrow foreign exchange. And, if the Vietnam State Bank permits, the account holder may also request the Vietnam Foreign Trade Bank to withdraw funds from his account for transfer to a foreign country for consignment if this method is more favorable to the production and business activities of the unit.

For many years, the system of depositing and using foreign exchange has had many discouraging restrictive aspects but significant correction has now been made consistent with the new foreign exchange management statutes. Every Vietnamese citizen whether living here or abroad is encouraged to open a foreign exchange account in the facilities of the Vietnam Foreign Trade Bank. The source of foreign exchange deposited in these accounts will have no differentiation as to place of origin. The bank will guarantee the depositor absolute secrecy in depositing as well as using foreign exchange. Concerning a type of foreign exchange or a type of deposit, the bank will apply one unified interest rate system for every depositor without differentiation or a separate rate for each as before. Deposits are of unrestricted duration, not like before when a number of customers, such as those with families in the country, received no interest when making no-duration deposits. The interest rate on deposits made in the Vietnam Foreign Trade Bank will be announced monthly, closely following the situation of deposit interest rates on the international monetary market. Those with foreign exchange deposited in the bank may not only use it for payments within the country but are authorized to transfer it to a foreign country for expenditures and procurement through the funds transfer service of the Vietnam Foreign Trade Bank or by withdrawal in foreign currency (cash) to carry when permission is granted for departure.

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